State of Alaska
FY2010 Governor's Operating Budget

Department of Transportation/Public Facilities
Performance Measures

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Department of Transportation/Public Facilities

Mission

Provide for the safe movement of people and goods and the delivery of State services.

Core Services

- Develop, maintain and operate: Highways, Alaska Marine Highway System, Airports, Public Facilities, Ports and Harbors and the State Equipment Fleet.
- Support complementary transportation systems, networks, and partnerships.

End Result	Strategies to Achieve End Result
A: Reduce injuries, fatalities and property damage. Target #1: Reduce highway fatality rate by 2%. Status #1: In 2007 the State experienced 1.61 highway fatalities per 100 million vehicle miles traveled, an increase of 8.05% from 2006 and compared to the national average of 1.47.	**A1: Build and improve state-owned roads and highways to appropriate department standards.** Target #1: Increase to 90% the percentage of the 2,145 mile National Highway System (NHS) routes meeting current department standards. Status #1: 71.7% or 1,538 miles of the State's NHS routes meet national standards which is an increase of 1% over the prior year. Target #2: Decrease by 5% the square footage of state-owned bridge deck area that is deficient by Federal Highway Administration (FHWA) standards to be considered structurally deficient. Status #2: The square footage of state-owned bridges that are structurally deficient decreased by 17.3% in 2008 compared to 2007. **A2: Improve efficiency.** Target #1: Advertise 75% of new highway and aviation construction project funding by April 30th. Status #1: 60.8% of new highway and aviation construction projects were advertised by April 30th, 2008, which is an increase from the prior year but still short of the goal of 75%. Target #2: Maintain the percentage of administrative and engineering costs below 30% of total project costs. Status #2: The percent of administrative and engineering costs compared to total project costs decreased to 20.3% in FFY2008, well within the department's target of 30%.
End Result	**Strategies to Achieve End Result**
B: Carry out safe operations.	**B1: Improve employees' awareness of workplace**

Target #1: 5% reduction in annual injury rate of department employees. Status #1: The work-related injury rate of department employees decreased from 7.7 in 2006 to 4.7 in 2007, a reduction of 39%.	**safety requirements.** Target #1: 5% increase in employees successfully completing required safety training. Status #1: The percent of employees successfully completing required safety training went from 87.5% to 63.4% between 2007 and 2008, reflecting the addition of other department units for reporting this measure.
End Result	**Strategies to Achieve End Result**
C: Improved mobility of people and goods. Target #1: Improvement in customer satisfaction with department services. Status #1: An almost precisely equal level of customer satisfaction in transportation services between 2005 and 2008 at 80%.	**C1: Build and improve state-owned airports to appropriate department standards.** Target #1: Reduce by 10% the number of airports that are closed due to seasonally soft surface or sub-surface material. Status #1: The number of airports that were closed due to seasonally soft surface or sub-surface material decreased by 13% from FY2007 to FY2008, exceeding the target of 10%. Target #2: Establish projects and provide funding to construct permanent lighting and runway improvements in two (2) remote communities. Status #2: The department has completed work on one runway lighting project and has received funding for 3 other airport projects to provide runway improvements and lighting systems which meets our goal of two communities.
End Result	**Strategies to Achieve End Result**
D: Increase state revenues. Target #1: Increase revenue collected at rural airports by 5% over prior year. Status #1: The rural airport revenues collected in FY2008 decreased by 1.84% from the prior year as a result of a slowing economy.	**D1: Enhance economic activities through the construction of key transportation linkages.** Target #1: Add 3 new resource development roads under design or construction each year. Status #1: Three new resource development roads were added to those under design or construction in 2008. The new roads included Ketchikan to Shelter Cove, Kake to Petersburg and Willer-Kash Roads.
End Result	**Strategies to Achieve End Result**
E: Provide the assets and facilities to enable delivery of state services. Target #1: Achieve 80% satisfaction of government sector customers with department services. Status #1: Government sector customer satisfaction has remained high at 94% for state equipment fleet and decreased from 88% to 83% for facilities.	**E1: Maintain state transportation assets and facilities to department standards.** Target #1: No increases in deferred maintenance needs. Status #1: Infrastructure deferred maintenance needs increased $174 million between 2006 and 2008 to a total of $535.8 million.

Major Activities to Advance Strategies

- Design roads to appropriate standards
- Emphasize traffic control from planning through construction
- Increase preventative maintenance
- Implement additional RWIS camera sites
- Maintain 511 System information and promote its use
- Implement Land Mobile Radio System
- Use more design/build contracts where it will reduce overall project costs
- Work with federal and state agencies on streamlining permitting and regulatory processes
- Develop additional lease lots at rural airports
- Improve work zone safety by improving commuting public's awareness of hazards
- Improve highway safety by designating high accident roadways as safety corridors
- Monitor safety compliance
- Partner with the Department of Labor, Occupational Safety to audit department programs and identify areas for improvement
- Design, procure and employ replacement vessels
- Implement a ticket scanning system for the Alaska Marine Highway System (AMHS)
- Employ fuel management systems on the AMHS vessels
- Optimize AMHS schedules

FY2010 Resources Allocated to Achieve Results

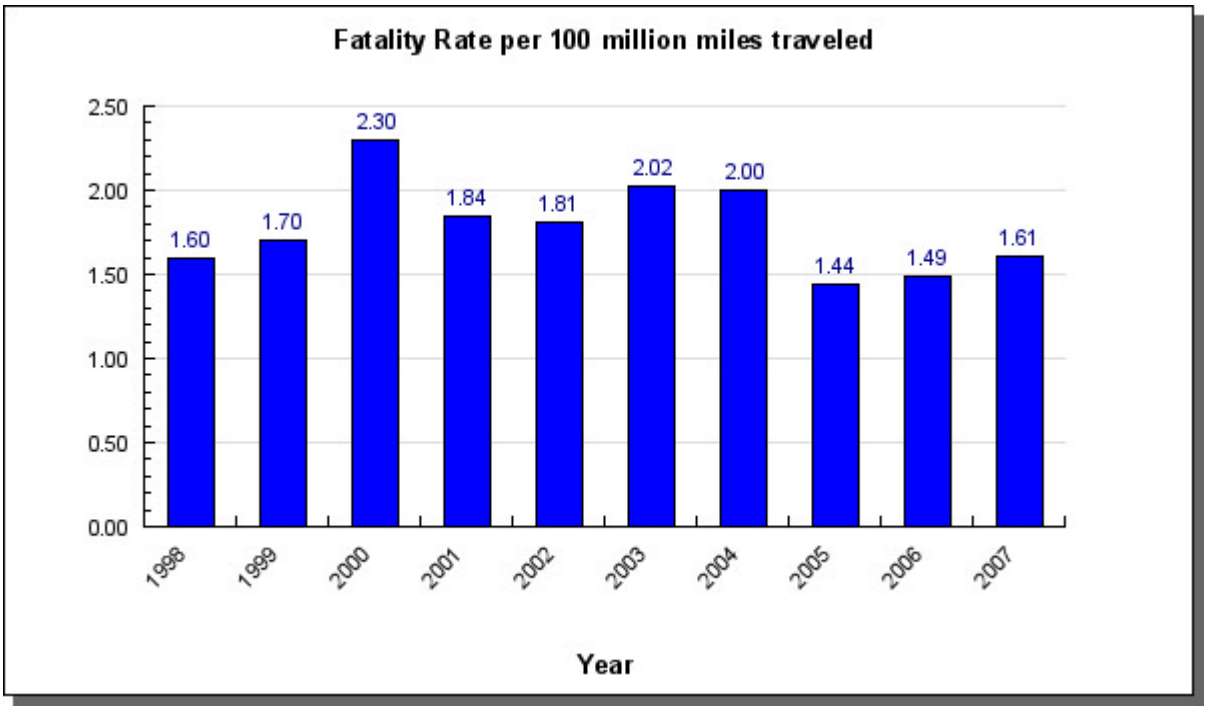
FY2010 Department Budget: $513,953,300

Personnel:	
Full time	3,202
Part time	444
Total	3,646

Performance

A: Result - Reduce injuries, fatalities and property damage.

Target #1: Reduce highway fatality rate by 2%.
Status #1: In 2007 the State experienced 1.61 highway fatalities per 100 million vehicle miles traveled, an increase of 8.05% from 2006 and compared to the national average of 1.47.



Fatality Rate per 100 million miles traveled

Year	YTD Total
2007	1.61 +8.05%
2006	1.49 +3.47%
2005	1.44 -28%
2004	2.0 -0.99%
2003	2.02 +11.6%
2002	1.81 -1.63%
2001	1.84 -20%
2000	2.30 +35.29%
1999	1.70 +6.25%
1998	1.60

Analysis of results and challenges: The U.S. national fatality rate increased annually between 1993 and 2004, from 1.45 fatalities per 100 million vehicle miles traveled (VMT) in 1993, to 1.50 fatalities/100 million VMT in 2004, before dropping to 1.47 fatalities per 100 million VMT in 2005.

Alaska typically experiences more accidents in the winter, with long periods of darkness and poor driving conditions. However, there are more severe accidents, including fatalities, in the summertime, where long periods of daylight occur and there is increased long distance driving. Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. Crash types resulting in the greatest number of fatalities include run-off-road, head-on, and intersection crashes.

In 2006 there were 74 fatalities and 11,728 crashes and in 2007 there were 83 fatalities (total crashes not yet available). In order to reduce these numbers, the agency approaches the issue through statewide outreach programs, highway safety improvement projects, and federally funded highway safety grant projects.

The Department is able to propose and support legislative changes through the Governor's Office and provide grant funds for special trooper enforcement activities. Otherwise motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes, and the number of troopers employed to enforce these laws are beyond the control of the program.

A1: Strategy - Build and improve state-owned roads and highways to appropriate department standards.

Target #1: Increase to 90% the percentage of the 2,145 mile National Highway System (NHS) routes meeting current department standards.
Status #1: 71.7% or 1,538 miles of the State's NHS routes meet national standards which is an increase of 1% over the prior year.

Percent of road lane miles that meet standards

Year	YTD Total
2007	71.7%*
2006	71.2%*
2005	74%
2004	73%
2003	72%
2002	70%

*Methodology: *Based on a higher total number (2,145) of NHS routes than was reported in 2005 and earlier (2,039 miles).*

Analysis of results and challenges: As of 2007 there are 1,538 miles (71.7%) of the NHS that meet national standards and 607 miles (28.3%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways prior to 2005, more recently; the pace of improvement has been constrained by the dual effects of reduced funding and higher costs of construction. Further, while this standard addresses modernizing what is mostly a 2-lane highway system, there are several sections that need to be upgraded to a divided 4-lane section, due to growing traffic volumes. General progress of fewer than 10-15 miles per year, due to funding constraints, means the goal of achieving the 90% standard would take 25 to 40 years.

Simultaneous with this goal, the department is striving to upgrade certain sections of the NHS for gas line logistics and ensure the state’s most critical bridges are in sufficient condition to carry the heavy loads associated with the gas line. Given the limitation of available funds, this target no longer appears meaningful.

Target #2: Decrease by 5% the square footage of state-owned bridge deck area that is deficient by Federal Highway Administration (FHWA) standards to be considered structurally deficient.
Status #2: The square footage of state-owned bridges that are structurally deficient decreased by 17.3% in 2008 compared to 2007.

Square footage of structurally deficient bridge deck area

Year	YTD Total	% Change
2008	415,315	-17.3%
2007	502,265	-1.9%
2006	511,748	-10.3%
2005	570,279	-1.8%
2004	580,666	-31.2%
2003	843,832	

Analysis of results and challenges: Alaska's bridge population continues to age and currently 50% of the publicly owned bridges are 31 years or older and 10% are older than 50 years. This indicates that about half of the publicly owned bridges are past the mid-point of their 50-75 year design life.

The percentage of square feet of deficient deck area is used to distribute federal funds to state transportation departments and is believed to be a reasonable metric to evaluate how well the Department is addressing structurally deficient, as defined by the Federal Highway Administration (FHWA), bridge needs.

Biennial bridge inspections are necessary to assure the safety of the traveling public. Staff develop repair recommendations, work with Maintenance and Operations staff to prioritize bridge repairs, design those repairs, perform load ratings on bridges, attempt to optimize hauling of overloads across bridges; post and close deficient bridges; and recommend financial programming of bridge replacements and repairs. Recent bridge projects have focused on rehabilitating or replacing structurally deficient bridges.

It is important to note that the deficient bridge list is dynamic. Structurally deficient bridges are typically removed from the list following rehabilitation or replacement and added to the list due to continued deterioration or damage. Structural deficiency does not necessarily imply that a bridge is unsafe. It does, however, mean that a structure is unable to carry the vehicle loads or tolerate the speeds that would normally be expected for that particular bridge in a designated road system.

A2: Strategy - Improve efficiency.

Target #1: Advertise 75% of new highway and aviation construction project funding by April 30th.
Status #1: 60.8% of new highway and aviation construction projects were advertised by April 30th, 2008, which is an increase from the prior year but still short of the goal of 75%.

Percent of construction contract funding advertised by April 30th

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2008	59.7%	45.9%	95.1%	60.8%
FFY 2007	54%	14%	66%	40%
FFY 2006	47%	56%	27%	42%
FFY 2005	31%	42%	51%	38%

Analysis of results and challenges: The purpose of this target is to get projects to construction early enough in the calendar year so as not to lose a full construction season. Ideally advertising should take place in January or February so a contract can be awarded in May.

Issues that have prevented the regions from providing timely contract advertising include difficulties with receiving federal grants and funding, attempting to implement very large, complex projects, a shortage of staff, difficulty with permitting agencies, new regulations and rules from state and federal agencies and unanticipated historic archaeological and hazardous materials issues.

Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Target #2: Maintain the percentage of administrative and engineering costs below 30% of total project costs.
Status #2: The percent of administrative and engineering costs compared to total project costs decreased to 20.3% in FFY2008, well within the department's target of 30%.

Percent of administrative and engineering costs to total project costs

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2008	24.2%	19.2%	9.9%	20.3%
FFY 2007	22%	24%	26%	24%
FFY 2006	21%	23%	13%	18%
FFY 2005	20%	22%	23%	21%
FFY 2004	21%	26%	23%	22%

Analysis of results and challenges: The aim of this measure is to get more capital dollars into construction or into other related fieldwork by maintaining overhead costs at an acceptable level. This will benefit the private sector and the traveling public. Percentages are calculated by summing up all administrative and engineering costs - i.e., all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments - and dividing those administrative and engineering costs by the total of all project costs.

B: Result - Carry out safe operations.

Target #1: 5% reduction in annual injury rate of department employees.
Status #1: The work-related injury rate of department employees decreased from 7.7 in 2006 to 4.7 in 2007, a reduction of 39%.

Number of Work-related Injuries/Injury Rate per 100 Employees

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Injury Rate	% Change
2007	32	39	30	60	161	4.7	-39%
2006	65	36	49	53	203	7.7	83%
2005	55	30	26	33	144	4.2	4.5%
2004	42	37	38	30	147	4.4	

Methodology: Calendar year.
12/11/08 - 2008 Data is not available at this time

Analysis of results and challenges: The Department of Transportation and Public Facilities employs an average of 3,200 employees during the year. The challenges for this Department are the inhospitable weather and terrain that employees work in and some employees working alone in areas. Other challenges include the diversity of jobs: maintenance and operations, construction, aviation, and marine operations where each has their own set of work practices. Each area is measured nationally under separate North American Index Coding System (NAICS) criteria. Because of the difference, it is important that all aspects of safety and health are managed and monitored to reduce risk and thus lower our Incidence Rate.

To achieve the desired results all employees need to be trained and progress monitored to ensure this goal is met. Department safety professionals: ensure that training, facility inspection, and advice and consultation are provided to all employees to help mitigate/abate hazards, thus reducing injuries and illnesses.

B1: Strategy - Improve employees' awareness of workplace safety requirements.

Target #1: 5% increase in employees successfully completing required safety training.
Status #1: The percent of employees successfully completing required safety training went from 87.5% to 63.4% between 2007 and 2008, reflecting the addition of other department units for reporting this measure.

Percent of DOT&PF employees completing required safety training

Fiscal Year	YTD Total	% change
FY 2008	63.4%	-27.5%
FY 2007	87.5%	17.7%
FY 2006	74.3%	+12.6%
FY 2005	66%	+89.7%
FY 2004	34.8%	-3.3%
FY 2003	36%	

Analysis of results and challenges: The initial emphasis on providing required safety training, as identified in the safety manual resulted in a reduction in work related injuries and Workers' Compensation claims.

The Safety Task Force is reviewing the definition of "required" training and is gathering data to track training meetings held and employees who attended. The data shown in the table above for 2003 through 2005 is based on a compilation of Highways and Aviation, Facilities and State Equipment Fleet employees who have attended safety meetings. Data for 2006 and 2007 incorporates more department employees from other divisions including Construction, Design, and Measurement Standards and Commercial Vehicle Enforcement. 2008 now includes the Ted Stevens Anchorage International Airport and Alaska Marine Highway System.

C: Result - Improved mobility of people and goods.

Target #1: Improvement in customer satisfaction with department services.
Status #1: An almost precisely equal level of customer satisfaction in transportation services between 2005 and 2008 at 80%.

Customer Satisfaction (very satisfied and somewhat satisfied)

Year	YTD Total
2008	79.9%
2005	80.3%

Analysis of results and challenges: In January 2008, the department contracted with a private firm to conduct a survey to find out how the department does providing transportation services in Alaska, including roads, airports and ferry service. 1,200 people across the state participated in this survey. Even though the department has done very well, resources are being directed to mitigate those problem areas identified in the survey (e.g., congestion relief, road smoothness, durable materials and rut repair). Areas of highest strength included directional signs, warning signs, road design, brush cutting and guardrails. This measure will continue to gauge the department's success in addressing the survey issues. The department services satisfaction survey is conducted every other year.

The following areas within the department provide ongoing customer satisfaction information related to providing road, airport and ferry transportation services: Highways and Aviation, Ted Stevens Anchorage International Airport, Fairbanks International Airport, and the Alaska Marine Highway System.

C1: Strategy - Build and improve state-owned airports to appropriate department standards.

Target #1: Reduce by 10% the number of airports that are closed due to seasonally soft surface or sub-surface material.
Status #1: The number of airports that were closed due to seasonally soft surface or sub-surface material decreased by 13% from FY2007 to FY2008, exceeding the target of 10%.

Percent change in number of airports that are closed seasonally.

Fiscal Year	YTD Total	% Change
FY 2008	13	13% Reduction
FY 2007	15	12% Reduction
FY 2006	17	19% Reduction
FY 2005	21	9% Reduction
FY 2004	23	

Analysis of results and challenges: At the beginning of FY08 there were 15 airports on the seasonal closure list with a target of improving 10% per year. The target was met with the completion of major improvement projects at Manokotak and Tuntutuliak airports.

Target #2: Establish projects and provide funding to construct permanent lighting and runway improvements in two (2) remote communities.
Status #2: The department has completed work on one runway lighting project and has received funding for 3 other airport projects to provide runway improvements and lighting systems which meets our goal of two communities.

Fiscal Year	*Funding Obtained	**Runway Lighting
FY 2008	2 -33.33%	1 0%
FY 2007	3	1

*Methodology: *Funding Obtained for # of Airport Improvement Projects*
***Runway Lighting Projects Completed*

Analysis of results and challenges: Not all communities in Alaska have night time access. The department's goal has been to make rural communities accessible for medivac and other emergency aircraft. A concerted effort has been taken to provide permanent lighting, portable runway edge lights or portable helicopter landing zone lighting in rural communities. There are still 27 communities where permanent improvements are feasible and those airports are the focus of this measure. A goal has been set to acquire enough grant funds to construct permanent improvements at two remote communities each year. Additionally, it is expected that at least one airport each year will have runway lighting put into service. The difference between funding and project completion targets is due to the complexity of projects in remote villages. It is not unusual for a project to take two to four years to complete.

The Department has achieved the funding goal for 2008, obtaining over $16.7 million in Federal Aviation Administration (FAA) grant funds for runway improvements and lighting at Kongiganak Airport and Goodnews Bay Airport. In addition, a runway lighting system was completed at Nunapitchuk Airport.

D: Result - Increase state revenues.

Target #1: Increase revenue collected at rural airports by 5% over prior year.
Status #1: The rural airport revenues collected in FY2008 decreased by 1.84% from the prior year as a result of a slowing economy.

Fiscal Year	Revenue	% Change
FY 2008	$3,666.6	-1.84%
FY 2007	$3,735.2	+12.96%
FY 2006	$3,306.7	-1.46%
FY 2005	$3,355.6	

Analysis of results and challenges: Economic development is a priority of the administration. Toward that goal, Statewide Aviation Leasing has been directed to provide excellent service by responding to land-use inquiries promptly, processing applications quickly, creating a web-based application process, and increasing revenues. A market survey has been performed that indicates many rural land lease rental rates are well below market. The

department plans to gradually increase rural airport land lease rental rates in order to help offset the rising maintenance and operating costs of the rural airports and meet Federal Aviation Administration (FAA) requirements. Based on public comments received (October 2008) as is required prior to revising regulations, the department will increase rates at the rural airports gradually in order to give aviation businesses economic recuperation time as well as the ability to budget for any further gradual increases.

The department received $2 million in the FY06 capital budget that was used to develop revenue-producing lease lots at rural airports. These activities included clearing, excavation, gravel fill, renovation of State-owned buildings, constructing road access, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has taken place include Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. As the legislature approves additional funding, more projects will be undertaken to improve lands on rural airports for private and commercial development, thus increasing revenue. Developed lots were leased immediately after completion, thereby increasing income to the department as well as economic development within that community.

D1: Strategy - Enhance economic activities through the construction of key transportation linkages.

Target #1: Add 3 new resource development roads under design or construction each year.
Status #1: Three new resource development roads were added to those under design or construction in 2008. The new roads included Ketchikan to Shelter Cove, Kake to Petersburg and Willer-Kash Roads.

Number of resource development road projects actively being designed or constructed

Year	YTD Total
2008	8
2007	7
2006	8
2005	3
2004	2

Analysis of results and challenges: Concentration on resource road development began in March 2003, after a Resource Transportation Analysis (RTA) conducted for the Northwest Alaska Transportation Plan indicated several promising possibilities for transportation and resource industry partnerships to benefit Alaska's economic development, revenue and employment. The Department has examined: energy and mineral projects in Northern Alaska to see if investment in transportation could accelerate resource development; access resource sites and transport of resources to world markets; and provide traditional overland road and rail routes as well as new transport modes and project-specific port/road models. Projects are developed in conjunction with the Alaska Minerals Commission, the Department of Natural Resources and other impacted agencies to determine which priority projects should be pursued and which have the best return on investment.

Four projects are in the reconnaissance, environmental review or design stage:
- Hoonah to Tenakee Inlet Road
- Bullen Point Road
- Ketchikan to Shelter Cove Road
- Kake to Petersburg Road

Three projects are under construction:
- Bostwick Logging Road on Gravina Island
- Petersville Road Repairs
- Ruby to Poorman Bridge/Road
- Willer-Kash Road

Recently completed projects include:
- Birch Creek Erosion Mitigation
- Willow Fishhook Road/Hatcher Pass
- Shirley Towne Bridge in the Matanuska-Susitna Valley
- Circle Mining District Access Improvements
- Williams Pile Bay Road

- Cascade Point Road
- Klawock Airport Road
- Elliott Highway Washington Creek Bridge
- Tofty Road
- Taylor Creek Bridge Repair
- Steese Highway Improvements

E: Result - Provide the assets and facilities to enable delivery of state services.

Target #1: Achieve 80% satisfaction of government sector customers with department services.
Status #1: Government sector customer satisfaction has remained high at 94% for state equipment fleet and decreased from 88% to 83% for facilities.

Government sector customer satisfaction

Fiscal Year	State Equipment Fleet	Facilities
FY 2008	94%	83%
FY 2007	94%	88%
FY 2006	94%	83%
FY 2005	96%	85%

Methodology: Measured on a state fiscal year basis.

Analysis of results and challenges: The department will periodically conduct surveys of the government sector to identify problem areas within the transportation and facilities systems. The department will then direct resources to mitigate those problem areas identified in the surveys. This measure will gauge the department's success in addressing the survey issues.

Surveys have been conducted of State Equipment Fleet and Facilities users that include government sector customers. Results of those surveys indicated a 94% and 83%, respectively, satisfaction rating for FY2008.

E1: Strategy - Maintain state transportation assets and facilities to department standards.

Target #1: No increases in deferred maintenance needs.
Status #1: Infrastructure deferred maintenance needs increased $174 million between 2006 and 2008 to a total of $535.8 million.

Dollar value of deferred maintenance needs

Year	YTD Total
2008	$535.8 million
2006	$361.8 million
2005	$328.8 million

Analysis of results and challenges: The department is attempting to keep deferred maintenance needs from increasing. This is being accomplished by directing highway and airport funds to areas of most need through project evaluation and scoring systems, increasing efforts towards on-going preventative maintenance and transferring harbors to local governments. Unfortunately this has become difficult with the increasing age of the State's infrastructure and lack of resources dedicated to maintaining it.

Current deferred maintenance estimated needs are $28 million for harbors, $53 million for marine highway vessels, $28 million for buildings, $46 million for rural airports, and $380.8 million for highways. The increase in highways deferred maintenance is due to accelerated deterioration of pavement surfaces. Rut repair is needed on major national highway system routes to alleviate the effects of vehicle traffic, climate change, and lack of on-going preventative maintenance.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

1. Maintenance and Operations of State Transportation Systems (includes Highways and Aviation, Alaska Marine Highway System, the International Airports, and the Equipment Fleet)
2. Measurement Standards and Commercial Vehicle Enforcement
3. Transportation and Facilities Construction Program (includes Planning, Design, Construction and other federally required activities)
4. Administrative Support (includes Commissioner's Office, Administrative Services and Regional Support Offices)

Administration and Support Results Delivery Unit

Contribution to Department's Mission

Provide executive leadership, coordination with other governmental agencies and assurance of program management within legal guidelines.

Core Services

- This RDU contains the leadership that ensures the department meets its statutory responsibilities of the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between planned growth in the intermodal transportation system and the effective management of maintenance and operations of the state's existing infrastructure.
- The Contracting, Procurement and Appeals Section develops, implements, and maintains policies, procedures, and standards that assure all transportation modes and regions receive responsive and consistent guidance, direction and training in administering construction and non-construction procurements and contracts.
- Internal Review is an independent section that reports directly to the Commissioner. This section is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the Department is meeting its statutory requirements and achieving its objectives.
- The Office of Equal Employment and Civil Rights oversees 3 affirmative action programs (DBE, ExEEO, and OJT) which apply to contractors and subcontractors working on USDOT-assisted projects. It also oversees 2 non-discrimination programs (Title VI of the Civil Rights Act of 1964 and Americans with Disabilities Act of 1990) which ensure equal treatment by the department during all phases of its operation.
- The Transportation Management and Security Section coordinates operations, including fleet management, highway and aviation maintenance, safety, security, and provides oversight of those areas for department management. The section also coordinates major maintenance projects and determines priority of statewide maintenance projects.

End Result	Strategies to Achieve End Result
A: Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs. Target #1: Ensure that the number of contractor's non-compliance items is no more than 1 per quarter. Status #1: In 2008 there was one occurrence of non-compliance with equal employment provisions by project contractors or a decrease of 67% from the prior year.	**A1: To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.** Target #1: Increase the number of highway construction contractors reviewed for compliance with federal equal opportunity regulations by 15% within 5 years. Status #1: The number of construction contractors reviewed for compliance with federal equal opportunity regulations increased in FY2008 by 12.5% over the prior year. This brought the number of reviews up to 9. Target #2: Increase the number of on-the- job (OJT) trainees per highway project by 5% per fiscal year. Status #2: In 2008 the number of on-the-job trainees on highway projects decreased by 31% from the prior year.
End Result	**Strategies to Achieve End Result**
B: Maximize federal design and construction funding	**B1: Prepare and issue timely audit reports.**

and compliance with federal requirements. Target #1: 5% reduction in difference between rates proposed by firms and audited overhead rates for consulting engineering firms and utility companies. Status #1: The difference between proposed and audited overhead rates for consulting engineering firms and utility companies increased by .2% between 2007 and 2008, which is below the target of 5%.	Target #1: Reduce by 5% the number of days between start of field work and issuance of all overhead rate audits. Status #1: Reduced the number of days between the start of fieldwork and actual audit report issuance by 51% between 2003 and 2008.
End Result	**Strategies to Achieve End Result**
C: Carry out safe operations. Target #1: Reduce employee lost time due to work-related injuries below the national average. Status #1: The 2007 data has been requested from the Department of Administration database. This is a new measure.	**C1: Improve workplace safety.** Target #1: Receive zero Occupational Safety and Health Administration (OSHA) citations related to state and federal safety codes. Status #1: Three OSHA safety violations were issued for department facilities in 2007.

Major Activities to Advance Strategies

- Review of highway construction contractors (external equal employment, disadvantaged business participation, on the job training)
- Communicate Equal Employment Opportunity (EEO) requirements to contractors and prospective contractors
- Provide training and working document assistance to highway contractors, Disadvantaged Business Enterprise (DBE) firms
- Engineering consultant pre-award overhead rate audits
- Perform utility company rate audits
- Perform concessionaire audits
- Provide additional training and material support for on-the-job training (OJT) of trainees on highway projects
- Implementation of a training and certification program for equipment operators
- Conduct monthly safety meetings and coordinate safety training sessions

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $5,366,100

Personnel:	
Full time	39
Part time	1
Total	40

Performance

A: Result - Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs.

Target #1: Ensure that the number of contractor's non-compliance items is no more than 1 per quarter.
Status #1: In 2008 there was one occurrence of non-compliance with equal employment provisions by project contractors or a decrease of 67% from the prior year.

Number of occurrences of contractor non-compliance items

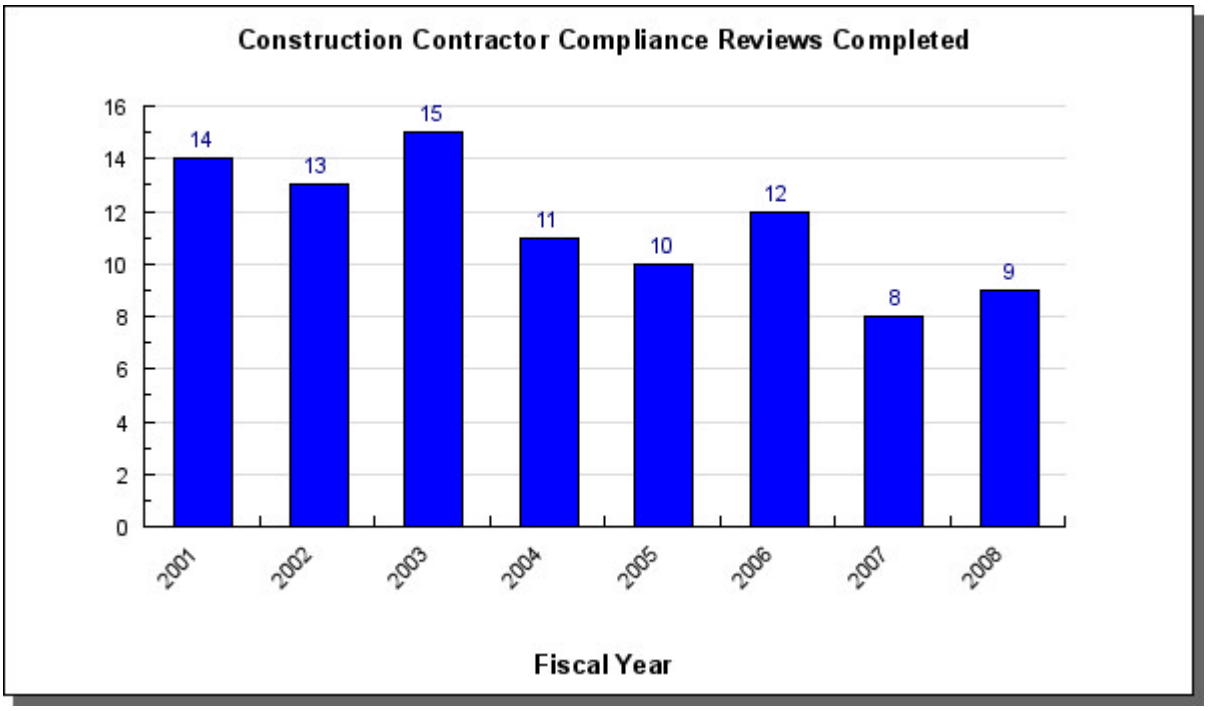
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2008	0	0	1	0	1
FY 2007	1	0	2	0	3
FY 2006	0	0	2	0	2
FY 2005	0	1	0	2	3
FY 2004	0	3	1	0	4

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. This is a state fiscal year measurement. Reviews are becoming consistent and contractor compliance routine. We continue to seek out new contractors for review, but the number of new contractors bidding on department work is slowly dwindling to the point there is generally only one or two prime bidders on our Southeast construction contracts. It appears that the slowing pace of contracted construction, higher operating costs and limited number of asphalt batch plants in Southeast has contributed to the reducing number of contractors.

A1: Strategy - To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.

Target #1: Increase the number of highway construction contractors reviewed for compliance with federal equal opportunity regulations by 15% within 5 years.

Status #1: The number of construction contractors reviewed for compliance with federal equal opportunity regulations increased in FY2008 by 12.5% over the prior year. This brought the number of reviews up to 9.



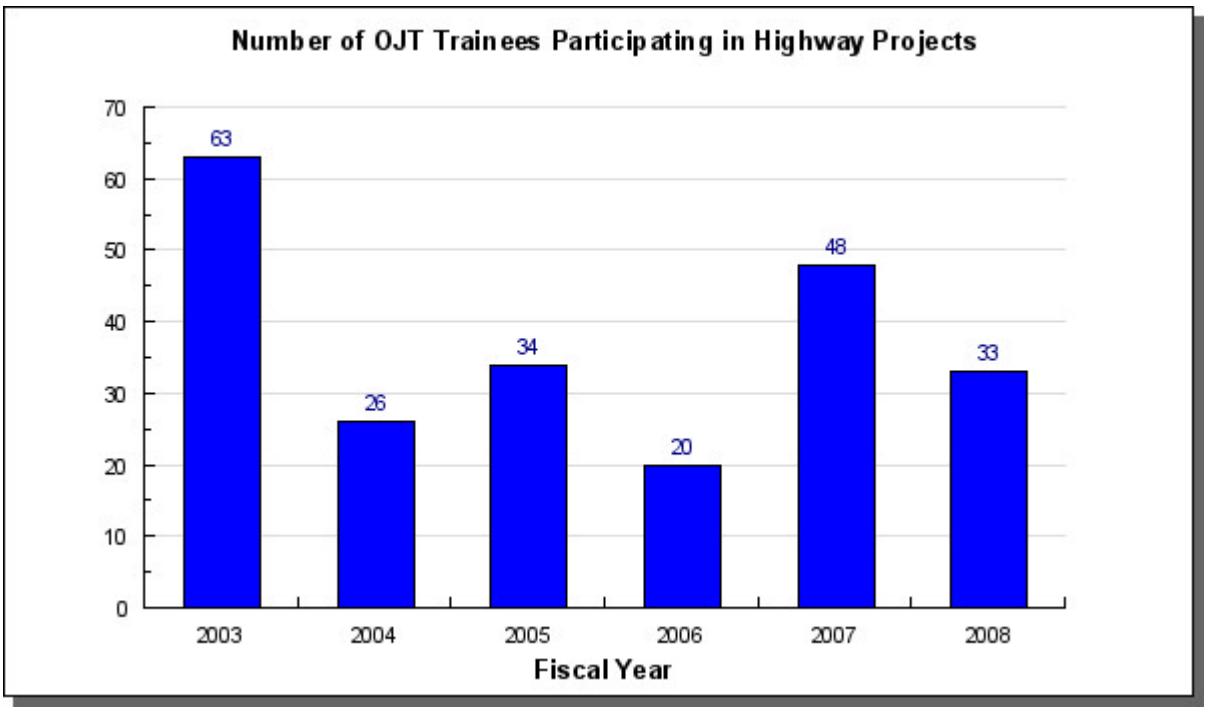
Construction Contractor Compliance Reviews Completed

Fiscal Year	YTD Total	Variance
FY 2008	9	12.5%
FY 2007	8	-33.3%
FY 2006	12	20%
FY 2005	10	-9.09%
FY 2004	11	-26.67%
FY 2003	15	15.38%
FY 2002	13	-7.14%
FY 2001	14	0

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. For the 2006 construction season we were fully staffed for contractor compliance reviews. In 2007 staffing was down by 50% and the number of reviews was reduced. Another contributing factor in recent years has been the erroneous information received on project status – confirmation is received that a contract is active during the winter months and a review is scheduled, only to find out the project is complete and no opportunity for a review exists. For example in the 2008 construction season an initial list of 14 projects/contractors

to review turned out to be only seven active projects despite the prior confirmation that the projects were open. We do not anticipate any staffing issues in FFY2009 and we began work this Fall to get a valid project/contractor review list together. We are currently looking at 18 different projects for contractor compliance reviews.

Target #2: Increase the number of on-the- job (OJT) trainees per highway project by 5% per fiscal year.
Status #2: In 2008 the number of on-the-job trainees on highway projects decreased by 31% from the prior year.



Number of OJT Trainees Participating in Highway Projects

Fiscal Year	YTD Total	% change
FY 2008	33	-31%
FY 2007	48	140%
FY 2006	20	-41%
FY 2005	34	31%
FY 2004	26	-59%
FY 2003	63	

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. The dwindling construction workforce in Alaska and nationally, makes it imperative that some type of effort is made to provide incentives to contractors to develop a younger workforce. The OJT program is directed towards women and minorities that are under-represented in the workforce. The OJT program accomplishes both the affirmative action goals as well as the workforce development goals.

At the beginning of each calendar year training goals are set by all three regions for projects. For 2007 we achieved 48 trainees for the year. During the fiscal year 2008 we achieved 33 trainees. We began this measure with the idea that between the goals set by our regional staff and the exodus from the construction workforce due to retirements, there would be an increase in trainees. While we saw a significant increase in 2007, the decrease in

2008 appears to be related to the decreased federal aid available for highway projects. For fiscal year 2007 we reviewed the methodology used by regional staff to set OJT goals to ensure it follows federal guidance and is consistent statewide. Based on this review we decided to regain control of the process by having the Civil Rights Office develop a new methodology and set the OJT goals. We have also decided to track achievement based on the OJT trainees per federal aid project, and abandon the simple total tracking we are currently using. This allows us to see if the increase is occurring on highway projects, and not based on the fluctuation of federal aid highway funds.

We expect to achieve a 5% increase in the OJT program by rigorously implementing our new goal setting methodology for highway construction and account for the growth per federal aid project. We have engaged the regional compliance officers and training trusts to more accurately set goals and to gage the market availability for minority and women apprentices.

B: Result - Maximize federal design and construction funding and compliance with federal requirements.

Target #1: 5% reduction in difference between rates proposed by firms and audited overhead rates for consulting engineering firms and utility companies.

Status #1: The difference between proposed and audited overhead rates for consulting engineering firms and utility companies increased by .2% between 2007 and 2008, which is below the target of 5%.

Percentage difference between proposed rates by firms and final audited overhead rates for consultants and utility companies by quarter by fiscal year.

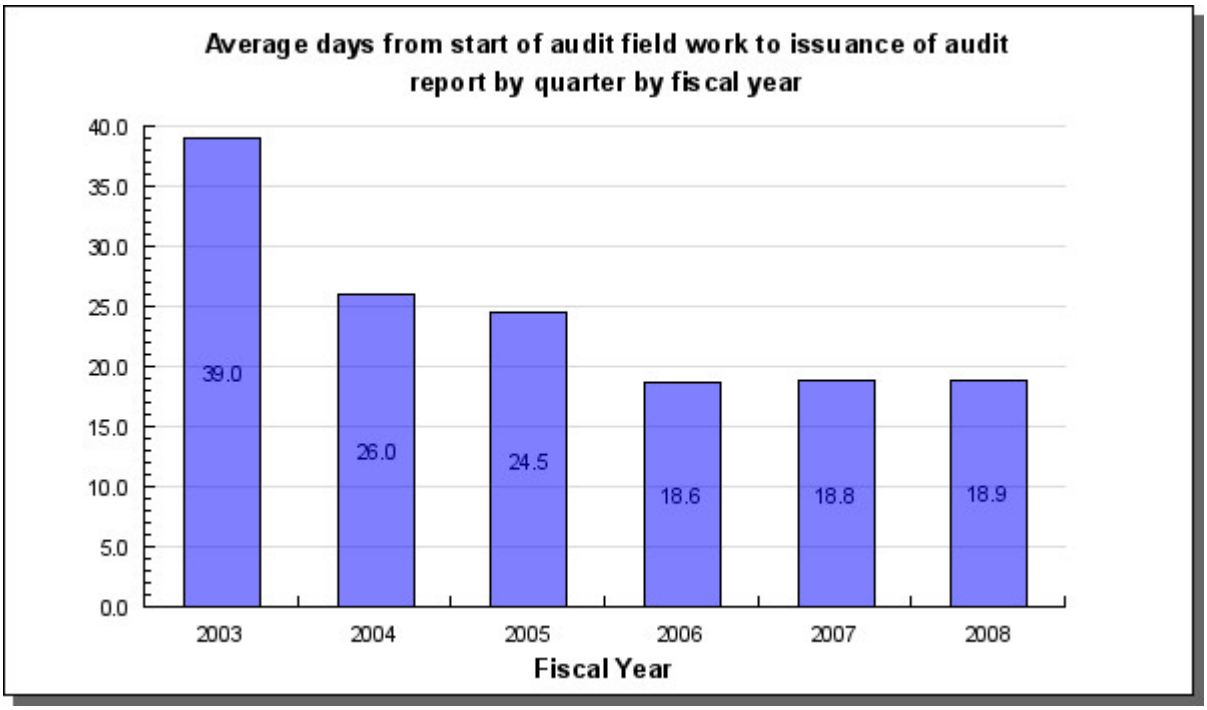
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Percent Change
FY 2008	7.3%	3.0%	7.8%	5.6%	6.0%	.2%
FY 2007	3.4%	1.0%	7.5%	5.2%	5.8%	-2.8%
FY 2006	7.0%	9.4%	4.8%	14.7%	8.6%	1.2%
FY 2005	8.4%	10.1%	-1.1%	6.7%	7.4%	1.8%
FY 2004	2.5%	9.3%	7.1%	5.6%	5.6%	

Methodology: YTD Total represents the annual average.

Analysis of results and challenges: Data is being collected and differences are being tracked between proposed and audited overhead rates for consultants and utility companies. As the proposed rates become closer to audited rates, it is an indication the companies have a better understanding of federal eligibility requirements. Also, they have eliminated ineligible costs prior to audit analysis which will assist in reducing the time required to perform audits and ensure maximization of federal receipts for design and construction.

B1: Strategy - Prepare and issue timely audit reports.

Target #1: Reduce by 5% the number of days between start of field work and issuance of all overhead rate audits.
Status #1: Reduced the number of days between the start of fieldwork and actual audit report issuance by 51% between 2003 and 2008.



Average days from start of audit field work to issuance of audit report by quarter by fiscal year

Fiscal Year	YTD Total	% Change
FY 2008	18.9	+.53%
FY 2007	18.8	+1.08%
FY 2006	18.6	-24.08%
FY 2005	24.5	-5.77%
FY 2004	26	-33.33%
FY 2003	39	0

Analysis of results and challenges: Data is collected to identify the average number of days between the start of audit field work and issuance of an audit report. The sooner audits are completed, the sooner the contracts with audited overhead rates can be put in place or amended with current rate information. The audits are also important as they cover the acceptability of the firms' accounting system and attests that the costs included in their overhead rates comply with all federal requirements. Charges for ongoing work are also spot checked to ensure billings are accurate and meet federal requirements. During FY2008 Internal Review received 77 requests for overhead rate audits and completed all of them. The average time to conduct an audit has stayed consistent with the prior year and is an indication that audit reports are issued timely.

C: Result - Carry out safe operations.

Target #1: Reduce employee lost time due to work-related injuries below the national average.
Status #1: The 2007 data has been requested from the Department of Administration database. This is a new measure.

Analysis of results and challenges: The challenges for this target are getting people back to work in the minimal

amount of time without aggravating the existing injury. To assist the employee, the Department may locate jobs the injured worker could perform to reduce lost time. This is a challenge due to policies and the perceptions of workers to the injured individual.

The results would be getting the injured employee back to work earlier and lowering the lost time, and also lowering worker compensation payouts by the State.

C1: Strategy - Improve workplace safety.

Target #1: Receive zero Occupational Safety and Health Administration (OSHA) citations related to state and federal safety codes.
Status #1: Three OSHA safety violations were issued for department facilities in 2007.

Safety Violations

Year	YTD Total
2007	3

Methodology: This measure is reported on a calendar year basis from number of OSHA citations per year.

Analysis of results and challenges: Because this department is geographically dispersed around the State, getting to each of the workplaces, camps, or stations requires managed and monitored logistics. Citations normally come in one of three ways; a fatality, an employee complaint, or a scheduled inspection by Alaska Occupational Safety and Health. Abating/mitigating the first two comes through training, education, and monitoring all employees, which should reduce our being listed for scheduled inspections.

The results of not having citations issued would be an indication that our training, inspections, advice and consultations are working.

Component: Commissioner's Office

Contribution to Department's Mission

Provide executive leadership to all activities of the department and to coordinate with the executive and legislative branches of state government, other state agencies, and the federal government.

Core Services

- The department is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between steady planned growth in the intermodal transportation system, which supports economic development and improved quality of life, and the effective management of maintenance and operations for the state's existing investment in transportation and public facilities infrastructure.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,933,700

Personnel:	
Full time	12
Part time	0
Total	12

Component: Contracting and Appeals

Contribution to Department's Mission

To effectively carry out the Department of Transportation & Public Facilities (DOT&PF) Commissioner's statutory responsibility to procure the planning, design, and construction of public works (including state buildings).

Core Services

- Oversee departmental and customer agency compliance with federal and state laws, regulations, and policies governing procurements and contract administration.
- Develop, implement, and maintain policies, procedures, and operational standards that assure all transportation modes, regions, engineering services, highway construction and maintenance groups, and those state agencies with a DOT&PF delegation of construction authority, receive responsive and consistent guidance in the administration of procurements and contracts.
- Administer the statewide Construction Contracting Warrant System. This system trains and certifies individuals on construction procurement requirements.
- Assist in the resolution of contract and procurement claims and disputes before they are elevated to the Commissioner's Office as appeals.
- Administer the construction contracts protest and claim appeal adjudication process.
- Administer the airport lease appeal adjudication process.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $307,100

Personnel:	
Full time	2
Part time	0
Total	2

Component: Equal Employment and Civil Rights

Contribution to Department's Mission

Enhance the operations of the department through the promotion, compliance monitoring and support of Civil Rights Programs such as department compliance with Title VI of the Civil Rights Act of 1964, External Equal Employment Opportunity (ExEEO) Program, the Disadvantaged Business Enterprises (DBE) Program, the On-The-Job Training (OJT) Program, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990 in the transportation industry.

Core Services

- Develop, update and implement three affirmative action programs (Disadvantaged Business Enterprises (DBE), External Equal Employment Opportunity (ExEEO), and On-The-Job Training (OJT)) that provide opportunities which otherwise would not normally exist within the construction arena. These programs apply to contractors and subcontractors working on U.S. Department of Transportation (USDOT)-assisted projects.
- Assure on-going compliance with two non-discrimination programs (Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act of 1990 [ADA]), which ensure equal treatment by the department with respect to its dealings with the public in all phases of operation.
- Provide two support services programs that give assistance to contractors and the public in understanding and participating in the DBE and OJT Programs.
- Implement a contract compliance program that monitors, enforces contractor compliance, and assists with construction-related affirmative action programs.
- Coordinate with tribal and rural local governments to encourage local employment on the department's highway and airport projects.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $987,700

Personnel:	
Full time	10
Part time	1
Total	11

Component: Internal Review

Contribution to Department's Mission

To provide professional audit assistance to department management that assures compliance with Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) requirements and to provide independent assessments of department operations.

Core Services

- Internal Review is an independent section within the Department of Transportation and Public Facilities that reports directly to the Commissioner. Internal Review is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the department is meeting its statutory requirements and achieving its objectives.
- Reviews operations and identifies control weaknesses, systems improvements, compliance, and recommends improvement in the use of resources (efficiency, economy, and effectiveness).
- Audits pre-award and final (post performance) activity of firms under contract with the department to assist in establishing rates and assuring that only agreed upon rates and charges have been paid.
- Audits utility companies, concessionaires at state airports, grantees, and contractor claims involving federal-aid to assure agreed upon rates were used, proper fees collected and that contractor claims were supportable.
- Audits major operational areas of the department on a special request basis and assists in special program reviews conducted by the Federal Highway Administration and the Federal Aviation Administration.
- Assists the Division of Legislative Audit in the required Annual Single Audit of State of Alaska, which includes the Department of Transportation and Public Facilities' operations.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,085,700

Personnel:	
Full time	8
Part time	0
Total	8

Component: Transportation Management and Security

Contribution to Department's Mission

To coordinate operations, including fleet management, highway, aviation and facility maintenance, safety and security issues and provide oversight of those areas for department management.

Core Services

- Develop policies, procedures and standards for Maintenance and Operations (M&O) activities statewide to ensure uniform maintenance practices, and provide technical guidance to regional offices.
- Coordinate major maintenance projects and determine priority of statewide projects.
- Manage pavement preservation activities including collection of ride quality and rut data and direct pavement preservation projects.
- Coordinate employee workplace safety programs including oversight of accident investigation, reporting, and avoidance programs, and oversee the deployment and integration of the department's Safety Manual.
- Implement and promote the use of Maintenance Management Systems (MMS) for highways, aviation and facilities operations.
- Provide technical input for implementation of the Alaska Land Mobile Radio (ALMR) System and deploy new radios for department purposes.
- Coordinate federally mandated security at state airports, terminals, tunnels and other transportation infrastructure. Participate with federal, military and other state agencies in statewide security exercises.
- Coordinate training of all new and existing heavy equipment operators to ensure uniform guidance is given on the proper and safe operation of equipment.
- Provide liaison with Division of Homeland Security, Department of Military and Veterans' Affairs.
- Develop and implement an integrated vegetation management program to control roadside vegetation across the state.
- Liaison with other state and federal agencies regarding climate change impacts and coordinate the department's involvement in community relocation plans and projects. Serve as the department's focal point in various climate change working groups including the Climate Change Immediate Action Workgroup.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,051,900

Personnel:	
Full time	7
Part time	0
Total	7

Administrative Services Results Delivery Unit

Contribution to Department's Mission

Provide administrative infrastructure to enable the department to meet its mission.

Core Services

- Centralized services in the areas of budget, finance, procurement, information technology standards and policies, cost allocation plans, collection of federal and other revenue, and web site development and maintenance.
- Development of department-wide policies and procedures.
- Oversight of the Highway Working Capital Fund.
- Liaison between the Department of Transportation and Public Facilities (DOT&PF) and the Department of Administration for financial, personnel, payroll, procurement, web page development, and information technology directives.
- Liaison with the Office of Management and Budget and the Legislature relating to operating and capital budget issues.
- Plan, design, implement and maintain information technologies supporting the department's mission.
- Procurement of commodities and services for Southeast Region, Alaska Marine Highway System (AMHS), and Headquarters operations. Conduct commodity procurement activities that are of a statewide nature.

End Result	Strategies to Achieve End Result
A: Increase efficiency of the department. Target #1: Reduce the ratio of administrative overhead to total department costs by 3%. Status #1: There was a 4.5% decrease in the department's administrative overhead rate between 2008 and 2009. Target #2: Increase to 80% the respondents (customers) that rate the quality of the division's service, advice and knowledge transfer at 4 or better on a scale of 1 to 5. Status #2: The division's customers have not yet been surveyed to determine their level of satisfaction. Complaints seem to be at a minimum.	**A1: Improve payment processing to contractors or vendors.** Target #1: Reduce the number of vendor payments that exceed 30 days by 5%. Status #1: The number of vendor payments that exceeded 30 days to process decreased by 14.8% between 2007 and 2008 bringing the number of those payments to 26,923. Target #2: Reduce duplicate payments by 10%. Status #2: The number of duplicate payments decreased by 28% between 2006 and 2007.

Major Activities to Advance Strategies

- Complete implementation of the new electronic timesheet program
- Require all new supervisors to attend training
- Provide guidance and improve dissemination of information to DOT&PF personnel regarding centralized human resource issues
- Automate as much of the AMHS dispatch process as possible
- Analyze information technology processes within the department to better serve the agency
- Implement e-commerce capabilities for procuring commodities
- Implement a performance measurement status reporting system statewide
- Develop a user manual and provide training for the Management Reporting System - project status reporting system

FY2010 Resources Allocated to Achieve Results

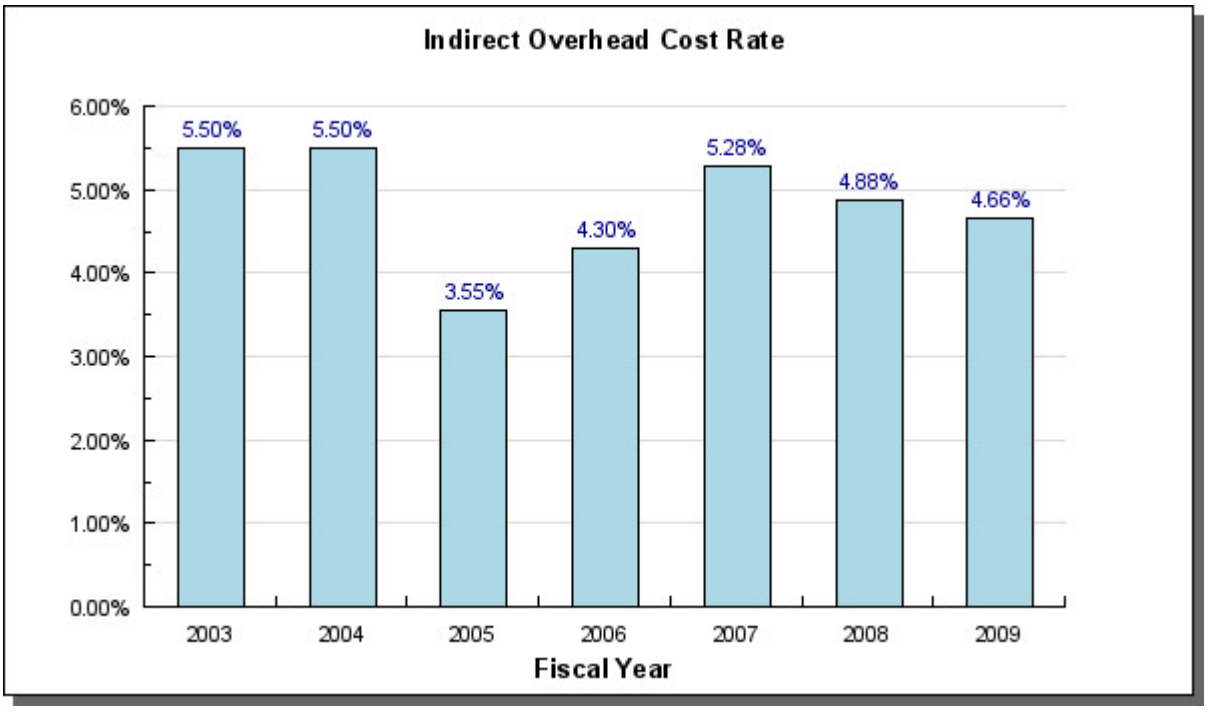
FY2010 Results Delivery Unit Budget: $15,159,200

Personnel:	
Full time	97
Part time	0
Total	97

Performance

A: Result - Increase efficiency of the department.

Target #1: Reduce the ratio of administrative overhead to total department costs by 3%.
Status #1: There was a 4.5% decrease in the department's administrative overhead rate between 2008 and 2009.



Indirect Overhead Cost Rate

Fiscal Year	YTD Total	% Change
FY 2009	4.66%	-4.5%
FY 2008	4.88%	-8%
FY 2007	5.28%	+23%
FY 2006	4.30%	+21%
FY 2005	3.55%	-36%
FY 2004	5.50%	0%
FY 2003	5.50%	

Analysis of results and challenges: The department annually prepares an Indirect Cost Allocation Plan (ICAP) according to state and federal guidelines, which is reviewed by internal auditors and approved by the Federal

Highway Administration (FHWA). The ICAP develops a rate at which overhead and administrative costs are distributed to projects. These rates are developed by accumulating indirect costs into cost pools, and then dividing the total indirect costs allocated to the pool by total direct project costs. ICAP rates calculated for FY08 vary between 1% for harbor projects to 4.66% for highway projects. The federal highway project rate is used for year to year comparisons. FY08 rates were developed based on FY06 actual expenditure data.

The 2009 reduced rate reflects a slight increase in direct charges to Federal Highway Administration funded capital projects.

General administrative activities contained in the indirect costs include such functions as payment processing, supervising employees, program oversight, budget development, liaison with the Legislature, etc. These are necessary functions of the department whether the department has direct oversight of a project or it is contracted. Typically project oversight is charged directly to a project and is not included in indirect costs.

The department will continue to review methods of reducing overhead costs. Developing technological solutions to cumbersome paper processes and eliminating unnecessary tasks are examples of how overhead costs can be reduced. Such a reduction will increase the amount of federal funds available for road and airport construction.

Target #2: Increase to 80% the respondents (customers) that rate the quality of the division's service, advice and knowledge transfer at 4 or better on a scale of 1 to 5.
Status #2: The division's customers have not yet been surveyed to determine their level of satisfaction. Complaints seem to be at a minimum.

Percent of Satisfied Customers

Fiscal Year	YTD Total
FY 2008	not available

Analysis of results and challenges: This measure will require the division to develop and circulate a survey to help determine whether our internal and external customers' expectations are being met in service (quality and response time), advice (explore solution) and knowledge transfer (communication and training). This increased awareness and interaction should lead to improved efficiencies in the areas of budget development and transfer of knowledge, financial reporting and solutions, vendor/customer payment timeliness, information systems interaction and result, procurement/contract advice, web development and management assistance and advice. Survey responses will provide manager's feedback that may identify problem areas, which if addressed may improve the efficiency of the department. We anticipate the survey will be done annually.

A1: Strategy - Improve payment processing to contractors or vendors.

Target #1: Reduce the number of vendor payments that exceed 30 days by 5%.
Status #1: The number of vendor payments that exceeded 30 days to process decreased by 14.8% between 2007 and 2008 bringing the number of those payments to 26,923.

The number of vendor payments that exceed 30 days from invoice date

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	% Change
FY 2009	7,275	0	0	0	0	0
FY 2008	8,524	6,764	5,832	5,803	26,923	-14.8%
FY 2007	11,834	8,291	5,455	6,010	31,590	+28%
FY 2006	5,539	6,142	5,740	5,323	22,744	-24%
FY 2005	7,785	9,478	6,740	5,991	29,994	+6%
FY 2004	7,948	7,414	6,873	6,115	28,350	

Analysis of results and challenges: AS 37.05.285 states, "Payment for purchases of goods or services provided a state agency shall be made by a required date that is 30 days after receipt of a proper billing for the amount of the payment due, if a date on which payment is due is not established by contract and if the billing contains or is

accompanied by documents required by the contract or purchase order." The fiscal offices processed an average of 14,225 vendor payments per month during FY2008. 84% of vendor payments are processed within the statutory timeframe. The complexities of the invoices being processed vary from basic monthly maintenance contracts to construction related progress payments. The ability to make payments on contracts requires appropriate sign-offs by project engineers and managers indicating satisfactory completion of tasks. Additionally, invoices must be approved regarding adequate budgetary authority. Payment delays can be caused by the many hand-offs that occur, receiving approvals, mail time between offices, errors in the invoice, errors in account coding, and inadequate funding levels.

Target #2: Reduce duplicate payments by 10%.
Status #2: The number of duplicate payments decreased by 28% between 2006 and 2007.

Duplicate Payments

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	% change
FY 2008	22	44	35	21	122	-7.6%
FY 2007	46	34	22	30	132	-28%
FY 2006	54	41	56	33	184	+2%
FY 2005	54	36	54	36	180	

Analysis of results and challenges: Duplicate payments require a great deal of department resources for monitoring, payment collection, and even legal actions to recover reimbursements. Activities to avoid future duplicate payments include throwing away duplicate copies of invoices when received in the mail, keeping payments current so that vendors don't send duplicate invoices as a method of requesting payment, monitoring erred documents to ensure that payments don't wait for funding, and checking to see if an invoice is already paid before making payment.

Component: Statewide Administrative Services

Contribution to Department's Mission

To support the department's operations with quality administration and information technology.

Core Services

- This component provides centralized services in the areas of budget, finance, cost allocation plans, collection of federal and other revenue, and development of policies and procedures. It also provides the oversight of the Information Systems Section, the Procurement Section, the Highway Working Capital Fund and the department's website.
- The program staff acts as liaison between the Department of Transportation and Public Facilities (DOT&PF) and the Department of Administration for financial, personnel, payroll, web development, information technology, and procurement directives, and the Office of Management and Budget and the Legislature regarding budget issues.
- Provides the day-to-day operational support for the department in 88 locations throughout the state. It provides support in accounts payable and receivable. Functions include, payment of travel costs, utility, contractor and general vendor invoices, auditing of the Alaska Marine Highway System sales reports, establishing Reimbursable Service Agreements (RSA), processing revenues from RSAs, payments against RSAs, and billing various federal agencies, municipalities and private individuals.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $4,825,700

Personnel:	
Full time	60
Part time	0
Total	60

Component: Statewide Information Systems

Contribution to Department's Mission

To support the department's operations with quality administration and information technology.

Core Services

- Provides information technology support for financial systems supporting federal highway and aviation billings; federal compliance reporting in human resources; federal capital improvement program (CIP) programming and obligation management; electronic commerce; Internet web services for information dissemination; and support for major system servers and the wide-area-network for all major statewide systems.
- Statewide databases receiving hardware and systems support include: Management Reporting System; Project Status Manage.; E- Procurement System; GIS/Mapping System; Marine Vessel Communications System; ferry reservation system; employee training, licensing and qualifications tracking system; Requests for Proposal Manager; Marine Maintenance Management System; Maintenance Management System; Electronic Documents Management; State Equipment Fleet System; and Pontis Bridge Design System.
- Additional "core" services include LAN (Local Area Network) to WAN (Wide Area Network) connectivity support, and desktop/laptop computer, file/print services and associated server support. Some of the systems listed above also receive programming services as well. Included are ePermits (ROWDYs); eDocuments (Stellent), TTS (Taxable Travel System); MRS (Management Reporting System); TEARS (Timesheet Entry and Reporting System); MMS (Maintenance Management System);and TPB (Third Party Billing).
- Also included are many security related projects including monitoring and patching software that are the result of new viruses and worms. Additional services related to the migration and support of the new Enterprise Exchange email and calendar system as well as for the new Enterprise Active Directory System.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $4,056,200

Personnel:	
Full time	23
Part time	0
Total	23

Component: Leased Facilities

Contribution to Department's Mission

The component will contribute to the department’s operations with quality oversight in leasing administration.

Core Services

- The Leased Facilities component is managed by Statewide Administrative Services staff to oversee and monitor the expenditures on state leased facilities in the Department of Transportation and Public Facilities. This component provides funding for the department's share of lease agreements and Department of Administration administrative costs.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $2,281,100

Personnel:	
Full time	0
Part time	0
Total	0

Component: Human Resources

Contribution to Department's Mission

The component will contribute to the department's mission by providing standardized, consistent, and quality service in all areas of human resources and personnel.

Core Services

- All human resource services and personnel have been consolidated into the Department of Administration, Division of Personnel and Labor Relations.
- Job analysis and position classification, creation and maintenance of job class specifications, establishing minimum qualifications and assigning pay grades and job classes.
- Operation and maintenance of on-line recruiting.
- Information and referral services to new and current employees.
- Investigation and resolution of informal complaints of discrimination or union contract violations.
- Preparation and distribution of affirmative action plans.
- Provision of supervisory, management, leadership, Equal Employment Opportunity (EEO) compliance and interpersonal skills training.
- Consultation services to supervisors and management regarding employee relations and performance management issues.
- Consultation services to management regarding workforce planning and organizational design.
- Consultation services to hiring managers and management regarding strategic recruitment.
- Policy and procedure development and implementation on human resource-related topics.
- Payroll processing.
- This component provides funding for the department's share of these services.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $2,663,900

Personnel:	
Full time	0
Part time	0
Total	0

Component: Statewide Procurement

Contribution to Department's Mission

The component will contribute to the department’s operations with professional and effective procurement administration.

Core Services

- The Statewide Procurement Section is responsible for establishing and enforcing statewide department procurement policies and procedures, professional services and non-professional services contracts, term contracts and spot market purchases for the delivery of common commodities and services, including contract management, as well as property control for all regions of the Department of Transportation and Public Facilities (DOT&PF) including the Alaska Marine Highway System (AMHS).
- The Southeast Procurement Section is responsible for the day-to-day procurement of commodities, parts, equipment and services for Southeast Maintenance and Operations, Southeast and Headquarters core services, and the Alaska Marine Highway System.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,332,300

Personnel:	
Full time	14
Part time	0
Total	14

Regional Support Services Results Delivery Unit

Contribution to Department's Mission

Provide leadership and accountability of regional activities and to support regional operations with quality procurement and budgetary services.

Core Services

- The Regional Director's Offices provide management oversight of all functions of the organization and act as liaison between divisions and between the department and other agencies and the public.
- The Support Service Offices provide management support and budget coordination to all operating divisions in each region, with additional support to regionally-located staff of Headquarters, statewide divisions and the International Airports.
- The Procurement Offices are responsible for the purchase and delivery of supplies, equipment and services as well as property control.

End Result	Strategies to Achieve End Result
A: Increase cost efficiency of the department. Target #1: Reduce the ratio of administrative overhead to total department costs by 3%. Status #1: There was a 4.5% decrease in the department's administrative overhead rate between 2008 and 2009.	**A1: Improve procurement processing.** Target #1: Reduce procurement processing time by 10%. Status #1: The time from receipt of stock request to issuance of an order increased from 1.29 days to 2.06 days in 2008. Target #2: No major procurement violations. Status #2: There were no procurement violations noted in 2007 which was an improvement over the 1 violation identified in 2006.

Major Activities to Advance Strategies

- Expand use of credit card purchases to reduce the number of small procurement requests.
- Analyze activities to determine if there is a better way of doing business.
- Create on-line stock requests and better define the item or service requested on the stock request.

FY2010 Resources Allocated to Achieve Results

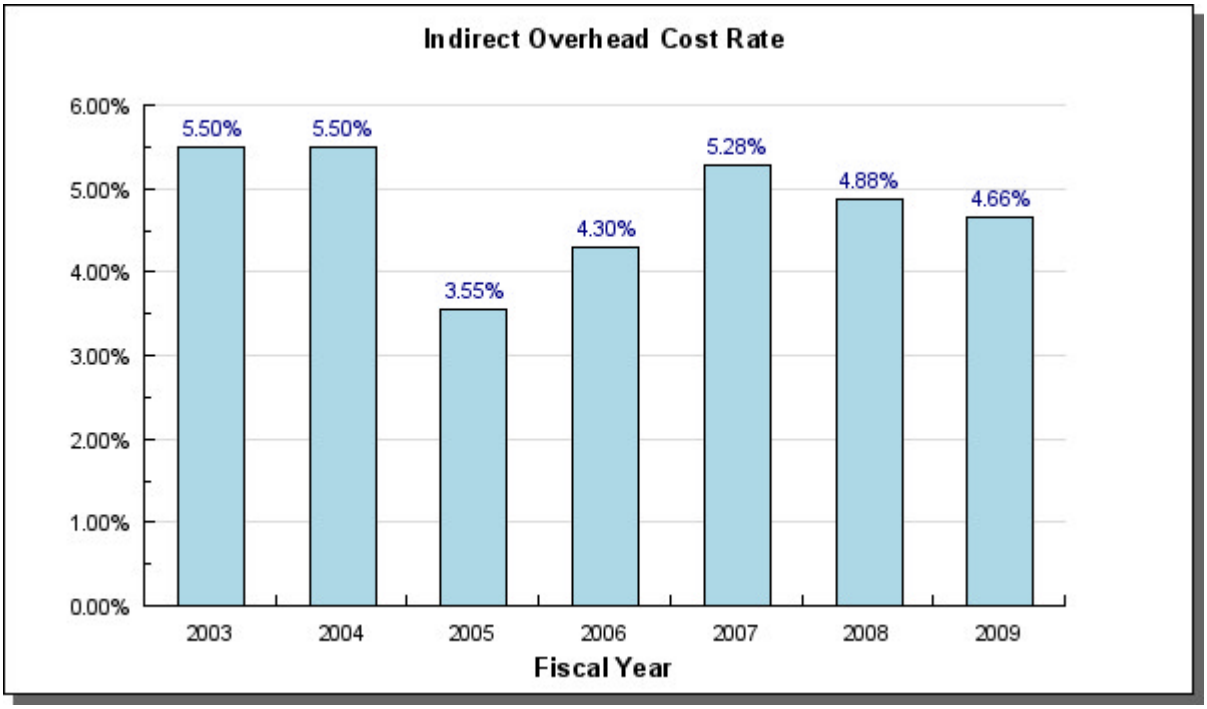
FY2010 Results Delivery Unit Budget: $3,287,100

Personnel:	
Full time	35
Part time	3
Total	38

Performance

A: Result - Increase cost efficiency of the department.

Target #1: Reduce the ratio of administrative overhead to total department costs by 3%.
Status #1: There was a 4.5% decrease in the department's administrative overhead rate between 2008 and 2009.



Indirect Overhead Cost Rate

Fiscal Year	YTD Total	% Change
FY 2009	4.66%	-4.5%
FY 2008	4.88%	-8%
FY 2007	5.28%	+23%
FY 2006	4.30%	+21%
FY 2005	3.55%	-36%
FY 2004	5.50%	0%
FY 2003	5.50%	

Analysis of results and challenges: The department annually prepares an Indirect Cost Allocation Plan (ICAP) according to state and federal guidelines, which is reviewed by internal auditors and approved by the Federal Highway Administration (FHWA). The ICAP develops a rate at which overhead and administrative costs are distributed to projects. These rates are developed by accumulating indirect costs into cost pools, and then dividing the total indirect costs allocated to the pool by total direct project costs. ICAP rates calculated for FY08 vary between 1% for harbor projects to 4.66% for highway projects. The federal highway project rate is used for year to year comparisons. FY08 rates were developed based on FY06 actual expenditure data.

The 2009 reduced rate reflects a slight increase in direct charges to Federal Highway funded capital projects.

General administrative activities contained in the indirect costs include such functions as payment processing, supervising employees, program oversight, budget development, liaison with the Legislature, etc. These are necessary functions of the department whether the department has direct oversight of a project or it is contracted. Typically project oversight is charged directly to a project and is not included in indirect costs.

The department will continue to review methods of reducing overhead costs. Developing technological solutions to cumbersome paper processes and eliminating unnecessary tasks are examples of how overhead costs can be reduced. Such a reduction will increase the amount of federal funds available for road and airport construction.

A1: Strategy - Improve procurement processing.

Target #1: Reduce procurement processing time by 10%.
Status #1: The time from receipt of stock request to issuance of an order increased from 1.29 days to 2.06 days in 2008.

Average Days Taken to Process Purchase Requests

Fiscal Year	Central Region	Northern Region	Southeast Region	Department-wide
FY 2008	1.9	2.48	1.8	2.06
FY 2007	0.51	1.82	1.25	1.29
FY 2006	4.0	3.8	5.0	not available
FY 2005	4.0	3.6	4.8	not available
FY 2004	4.5	3.7	4.5	4.25
FY 2003	not available	not available	not available	9.8
FY 2002	not available	not available	not available	6.1

Methodology: Results are reported on a state fiscal year basis.
FY2006 Southeast Region data identifies only Pilot Program procurements processed through the contractor, Alaska Supply Chain Integrators.
FY2007 results were calculated using data since the transition to the e-procurement system.

Analysis of results and challenges: In 2007 a web based e-procurement system was implemented in all three regions of the Department of Transportation and Public Facilities (DOT/PF). Requisitions are now submitted electronically which allows procurement staff the ability to respond many times faster to completed and approved requisitions. As such, it may now be appropriate to measure procurement response time in hours instead of days

The amount of time it takes to process a procurement varies due to the complexity associated with the dollar limits of various procurements. Generally the majority of procurements fall in the range of $5,000 or less requiring Reasonable and Adequate competition. This area accounts for the greatest decrease in time to process.

"Reasonable and Adequate" competition is required for each expenditure valued at $5,000 or less and involves contacting only one potential vendor in appropriate circumstances. At least three verbal quotations or proposals are required between $5,000 and $25,000; but are often required to be submitted in writing for purposes of clarity and conformance to specifications or scope of services. The Request for Quotation (RFQ) process or Informal Request for Proposals (IRFP) is required for expenditures valued at $25,000 to $50,000 and also requires issuance of the State's Standard Terms and Conditions or General Provisions and written responses from vendors. The formal Invitation to Bid (ITB) or Request for Proposals (RFP) process is required at $50,000 and above, which involves formulating specifications, advertising on the Online Public Notice (OPN), allowing 21 days for solicitation, receiving sealed bids or proposals and providing a ten-day protest period prior to award of a contract.

Construction related procurement processes are more complex and require additional time for processing. Most construction procurements are federally funded which require staff to be knowledgeable of federal regulations.

The e-procurement purchasing and inventory web based software was implemented statewide in February 2007 to produce greater efficiencies in the contracting, procurement and warehouse environments in the Southeast, Central and Northern Regions. Further efficiencies will be obtained by increasing the number of Stock Requests that are submitted and approved online, monitoring problem orders, and addressing individual issues timely.

Target #2: No major procurement violations.
Status #2: There were no procurement violations noted in 2007 which was an improvement over the 1 violation identified in 2006.

Number of Procurement Violations

Fiscal Year	YTD violations	Change from prior year
FY 2008	1	+1
FY 2007	0	-1
FY 2006	1	+1
FY 2005	0	0
FY 2004	0	-3
FY 2003	3	-1
FY 2002	4	not available

Analysis of results and challenges: When potential violations are identified, the department investigates and reports them to the Department of Administration, Division of General Services. Recommendations on necessary action to resolve the issue are also provided. Efforts to avoid future violations will include increased emphasis on training procurement and non-procurement staff on state purchasing requirements, and to assure quick distribution of new or revised procurement directives. Concentration on staff training encourages professionalism and accountability, and assures competent individuals are conducting all procurement activities. When potential violations are identified, the department investigates and reports them to the Department of Administration, Division of General Services. Recommendations on necessary action to resolve the issues are also provided. Efforts to avoid future violations will include increased emphasis on training procurement and non-procurement staff on state purchasing requirements, and to assure quick distribution of new or revised procurement directives. Concentration on staff training encourages professionalism and accountability, and assures competent individuals are conducting all procurement activities.

Component: Central Region Support Services

Contribution to Department's Mission

Provide leadership and accountability of all Central Region activities, and to support regional operations with quality procurement and budgetary services.

Core Services

- Provide administrative leadership, procurement, and budgetary support to all operating divisions in Central Region, with additional support to Anchorage-based staff of headquarters and statewide divisions and the Ted Stevens Anchorage International Airport.
- Direct all functions of the organization; provides focal point for coordination between divisions, with outside agencies, and general public.
- Coordinate preparing operating budgets requests for eight Central Region components.
- Procure equipment, commodities, rentals, leases and service agreements, including formal procurements, to meet the needs and requirements of operational components. Receive, stock, and deliver goods and maintain inventory of state property.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,041,200

Personnel:	
Full time	12
Part time	0
Total	12

Component: Northern Region Support Services

Contribution to Department's Mission

Provide administrative infrastructure and policy guidance at the regional level.

Core Services

- Regional Support Services provides administrative support and budget coordination to all operating divisions of Northern Region, with additional support to Fairbanks-based staff of headquarters and statewide divisions and the Fairbanks International Airport.
- The Regional Director's Office provides management oversight of all functions of the organization and acts as liaison between divisions and between the department and other agencies and the public.
- The Procurement Office is responsible for the purchase and delivery of supplies, equipment and services, as well as property control.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,377,700

Personnel:	
Full time	15
Part time	3
Total	18

Component: Southeast Region Support Services

Contribution to Department's Mission

Provide leadership and accountability of all Southeast Region activities, and to support regional operations with quality financial analysis and budgetary services.

Core Services

- The Office of the Regional Director provides policy direction and management leadership to all Southeast Region employees. The Regional Director also provides the main conduit for local communities and individuals to have input on various transportation issues.
- The Southeast Region annual operating budgets are prepared in this unit. Inquiries from the legislature, administration, and the public are researched and responded to through this office. Status reports are prepared to provide financial information and guidance to management.
- The Capital Improvement Project Control unit maintains the status of the region's capital improvement projects. Federal and state regulations require detailed reports and procedures for tracking and reporting on capital projects. Status books are prepared to provide necessary information to regional and federal project staff.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $868,200

Personnel:	
Full time	8
Part time	0
Total	8

Aviation Results Delivery Unit

Contribution to Department's Mission

Provide airport system vision, planning, and infrastructure for the safe movement of people and goods; and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Five-Year Funding Plan development and coordination.
- Airport planning, design, construction, and operation coordination, as well as technical assistance.
- Conduct Federal Aviation Administration (FAA) Airport Inspections (5010 database maintenance).
- Ensure appropriate accounting and financial policies and procedures at the international airports.
- Provide uniform fee structures for use of the airport facilities and services as required under federal grant assurances.
- Provide property management services allowing for the use of lands, facilities, and buildings at state rural airports.
- Development and management of the State Aviation System Plan and related continuous planning processes.
- Promote, facilitate and implement aviation safety improvements through the adoption of technology and the development of datasets for aviation simulators, in coordination with the Medallion Foundation, FAA and the National Aeronautics and Space Administration (NASA).

End Result	Strategies to Achieve End Result
A: Increase revenue generation at statewide rural airports. Target #1: Increase revenue collected at rural airports by 5% over prior year. Status #1: The rural airport revenues collected in FY2008 decreased by 1.84% from the prior year as a result of a slowing economy.	**A1: Process rural airport land-use applications more expeditiously.** Target #1: Reduce the number of days to process land use applications. Status #1: The average number of days to process land use applications decreased from 131 days to 102 days between 2007 and 2008.

Major Activities to Advance Strategies

- Analyze inventory data on airports that are below minimum FAA standards.
- Assess projects through Airport Project Evaluation Board (APEB) scoring process to prioritize projects and equipment for limited federal funds.
- Coordinate regularly with FAA Airports Division to identify issues, regulatory priorities, and funding.
- Develop and update an aviation web site to provide user-friendly access to airport information.
- Initiate aviation technical training to retain and promote airport career path to improve efficiency.
- Inventory airport lease lots and needs to meet aviation demands and FAA requirements.
- Coordinate department airport safety, security, compliance, land use, fees, education, and mapping policy.
- Lead the Alaska Aviation System continuing planning process and related public efforts to identify user issues and priorities.
- Support the Governor's Aviation Advisory Board in their advocacy for a state airport network.

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $3,607,200

Personnel:	
Full time	32
Part time	0
Total	32

Performance

A: Result - Increase revenue generation at statewide rural airports.

Target #1: Increase revenue collected at rural airports by 5% over prior year.
Status #1: The rural airport revenues collected in FY2008 decreased by 1.84% from the prior year as a result of a slowing economy.

Fiscal Year	Revenue	% Change
FY 2008	$3,666.6	-1.84%
FY 2007	$3,735.2	+12.96%
FY 2006	$3,306.7	-1.46%
FY 2005	$3,355.6	

Analysis of results and challenges: Economic development is a priority of the administration. Toward that goal, Statewide Aviation Leasing has been directed to provide excellent service by responding to land-use inquiries promptly, processing applications quickly, creating a web-based application process, and increasing revenues. A market survey has been performed that indicates many rural land lease rental rates are well below market. The department plans to gradually increase rural airport land lease rental rates in order to help offset the rising maintenance and operating costs of the rural airports and meet FAA requirements. Based on public comments received (October 2008) as is required prior to revising regulations, the department will increase rates at the rural airports gradually in order to give aviation businesses economic recuperation time as well as the ability to budget for any further gradual increases.

The department received $2 million in the FY06 capital budget that was used to develop revenue-producing lease lots at rural airports. These activities included clearing, excavation, gravel fill, renovation of State-owned buildings, constructing road access, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has taken place include Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. As the legislature approves additional funding, more projects will be undertaken to improve lands on rural airports for private and commercial development, thus increasing revenue. Developed lots were leased immediately after completion, thereby increasing income to the department as well as economic development within that community.

A1: Strategy - Process rural airport land-use applications more expeditiously.

Target #1: Reduce the number of days to process land use applications.
Status #1: The average number of days to process land use applications decreased from 131 days to 102 days between 2007 and 2008.

Average Days to Process Land-use Applications

Year	YTD Total
2008	102 -22.14%
2007	131 -7.09%
2006	141 +22.61%
2005	115

Analysis of results and challenges: New leases and permits are being issued for airport properties and are indicators of construction levels and increase of economic development and revenue at the airports. Issuance of rural airport land-use agreements indicates the level of interest in developing or using airport property and the health of the local economy. It can also be an indicator of production achievement by current staffing levels. Previously, approximately 60% of all land use applications were received through the mail. With the department's initiation of an on-line application program where the general public can apply for a lease or permit for use of land on a rural airport, the number of land-use applications received through the mail is decreasing and the number received via the web is increasing. This process has helped reduce the amount of time required to process applications. It has also enabled tenants to pay fees and rents online and to do so at a time most convenient to them.

Component: Statewide Aviation

Contribution to Department's Mission

Provide airport infrastructure for the safe movement of people and goods.

Core Services

- Airport Improvement Program (AIP) Funding Plan development, coordination, guidance and monitoring.
- Alaska Aviation System Planning.
- Aviation Leasing - Property management services for the use of lands and buildings at state rural airports.
- Airport planning, design, construction and operation coordination.
- Federal Aviation Administration (FAA) liaison regarding aviation regulatory and policy issues affecting Alaska.
- Coordinate departmental compliance with FAA grant assurances.
- Primary contact with airlines, aviation user groups, and aviation organizations.
- Conduct oversight of FAA Master Record Airport Inspections (5010 database maintenance contract).
- Primary response to aviation related public concerns.
- Aviation Safety Project - Provide mapping, aircraft operation simulation, and Global Positioning System (GPS) support for safer operations in Alaska.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $2,720,100

Personnel:	
Full time	25
Part time	0
Total	25

Component: International Airport Systems Office

Contribution to Department's Mission

Provide relevant and reliable financial information to the Alaska International Airports System (AIAS) and its stakeholders.

Core Services

- Under Commissioner delegated authority, establish uniform rates and charges for air carriers, concessionaires, and others using the AIAS, which consists of the Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI). Perform ongoing evaluation of those rates and charges to ensure financial goals are achieved.
- Provide for timely and informative financial reporting for use by State, Federal Aviation Administration (FAA), airport management, air carriers, rating agencies and bondholders, and other AIAS stakeholders.
- Ensure effective and appropriate accounting and financial internal controls, policies and procedures are in place for AIAS.
- Evaluate the fiscal impact of airport development and administration plans such as terminal and field expansion, parking garages, land lease rates and aircraft tie-down fees. Develop fiscal constraints to be followed by management.
- Identify auditing needs and arrange for, and oversee the annual enterprise fund external financial audit by independent Certified Public Accountants.
- Assist in the negotiation of the airport operating agreement and in the implementation and monitoring of its requirements.
- Monitor AIAS capital project funding needs, ensuring that appropriate financing methodologies are employed and alternatives are reviewed and considered as market conditions and funding requirements warrant.
- Coordinate with the Department of Revenue on AIAS revenue bond issues and assure timely fulfillment of ongoing disclosure requirements.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $887,100

Personnel:	
Full time	7
Part time	0
Total	7

Planning Results Delivery Unit

Contribution to Department's Mission

The mission of Transportation Planning is to optimize state investment in transportation by means of data-driven recommendations and meet federal and state requirements through effective data collection, analysis, planning, public involvement and documented decisions.

Core Services

- Develop statewide and area transportation plans to guide transportation infrastructure development over the next 20 years and fulfill federal and state requirements.
- Coordinate the development, submission, and monitoring of the Needs List (a statewide list of transportation needs), and the federally required Statewide Transportation Improvement Program (STIP), as well as the annual capital budget. Provide key analyses to department management on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Provide federally required highway data collection and analyses to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services.
- Develop and maintain the Statewide Transportation Plan and Public Involvement Plan.
- Provide administration of the Scenic Byways Program, Safe Routes to Schools, Federal Transit Program and Federal Railroad Administration grants.
- Provide administration of the Alaska Highway Safety Office and related funding from the National Highway Safety Administration.
- Provide administration of Urban Planning and State Planning Programs, as well as general accounting and administrative support.
- Develop and administer the Strategic Highway Safety Plan.
- Administer planning for resource and community access roads program.
- Develop and maintain the department's financial interaction with the Denali Commission transportation program.
- Oversee the web and phone 511 Highway Information System and the Road Weather Information System.

End Result	Strategies to Achieve End Result
A: Access optimal federal funds for highway construction projects. Target #1: A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1). Status #1: Not Available. Target #2: Adopt an updated Statewide Long-range Transportation Plan compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter. Status #2: Completed February 29, 2008.	**A1: Streamline and improve federal-aid funding process.** Target #1: Decrease time needed to process federal-aid agreements and modifications by 10%. Status #1: The processing time for federal-aid agreements and modifications decreased by 7.3% between 2007 and 2008 resulting in a 10.1 day turnaround.
End Result	**Strategies to Achieve End Result**
B: Achieve measurable improvement in highway safety.	**B1: Increase the public's awareness of safe driving habits.**

Target #1: A reduction in the number of fatal and major injury accidents of 1% per year over 5 years. Status #1: In 2006 the state experienced 511 fatal and major injury accidents resulting in a 21.74% decrease from the prior year, well below the 5-year average of 673.2.	Target #1: Improve voluntary seatbelt use by at least 4% as compared to the 5-year average. Status #1: The state experienced a 3.03% increase between 2007 and 2008 in the voluntary use of seatbelts which was surveyed at approximately 84.9%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008. **B2: Emphasize safety in transportation decision making.** Target #1: A federally reviewed Strategic Highway Safety Plan. Status #1: The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.

Major Activities to Advance Strategies

- Target driver behavior issues: high-risk youth and young drivers, areas of traffic congestion, seatbelt use, aggressive driving, etc.
- Evaluate any lapses of federal funds and identify the cause. Compare as a percentage of all funds that are administered by the division.
- Create electronic tracking tools to enable a community to follow the history of each project through the STIP process.
- Create an overall communication strategy and related tools to enable faster and more thorough communications of changes occurring in the STIP.
- Provide design/build contract for HAR (highway advisory radio) and VMS (variable message signs) to enhance driver awareness of critical conditions.
- Ensure public awareness of the travel information system to ensure drivers are advised of changing highway conditions.

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $8,877,300

Personnel:	
Full time	81
Part time	1
Total	82

Performance

A: Result - Access optimal federal funds for highway construction projects.

Target #1: A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1).
Status #1: Not Available.

STIP Review Timetable: Plan versus Actual

Year	Target Date	Actual Date	Deviation from Target
2010	Sept 1, 2008	July 2, 2008	60 days early
2008	Sept 1, 2007	June 27, 2007	34 days early
2006	Sept 1, 2005	Jan 23, 2006	114 days late
2004	Sept 1, 2003	Nov 1, 2003	61 days late

Analysis of results and challenges: An approved Statewide Transportation Improvement Plan (STIP) is essential if the state is to have access to federal funds once each federal fiscal year begins. Each STIP has a four year valid life. The target of having the STIP ready for federal review at least 30 days prior to the federal fiscal year beginning provides a cushion to deal with the time necessary for two federal agencies to conduct their reviews and issue letters of approval.

The above goal also ensures the division and regional staff are progressing in the many steps it takes to deliver the STIP. Efforts continue to shave time on the STIP development cycle, a process which has grown unwieldy in recent years.

In August, 2005, Congress passed SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users"). Program funds for routine capital needs have decreased significantly in favor of over $1 billion in earmarked projects, and this fact has been a major challenge for the division and the department-ramping down the regular program while ramping up for all of the earmark projects. In addition, the requirements for planning and public process in the new law have increased dramatically. Faced with additional requirements for involving the public and finer definitions of when STIP amendments are required, we will be spending more time asking for federal approval prior to implementing the STIP and funding projects.

Target #2: Adopt an updated Statewide Long-range Transportation Plan compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter.
Status #2: Completed February 29, 2008.

Adoption of Statewide Long-Range Transportation Plan

Year	Goal	Target Date	Actual Date	Deviation from Target
2007	Commissioner Approval	July 1, 2007	February 29, 2008	8 months

Analysis of results and challenges: The federal highway re-authorization law was passed in August 2005 which made sweeping changes to planning processes, apparently to streamline them. However, guidance and proposed regulations issued by Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) are more stringent, complicating the process with more federal requirements and steps. On February 14, 2007 the federal regulations that govern the planning steps required to use federal highway funds were issued. The July 1, 2007 due date for updating the plan became impractical since the release of the relevant rules left only 4.5 months to complete.

On stride to meet the mid-January 2008 date, the deadline was further extended to accommodate the holiday season. Following the extended comment period and several presentations of the 2030 plan to legislative committees, the plan was successfully completed on February 29, 2008.

SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users")

A1: Strategy - Streamline and improve federal-aid funding process.

Target #1: Decrease time needed to process federal-aid agreements and modifications by 10%.
Status #1: The processing time for federal-aid agreements and modifications decreased by 7.3% between 2007 and 2008 resulting in a 10.1 day turnaround.

Days to process federal highway project funding requests

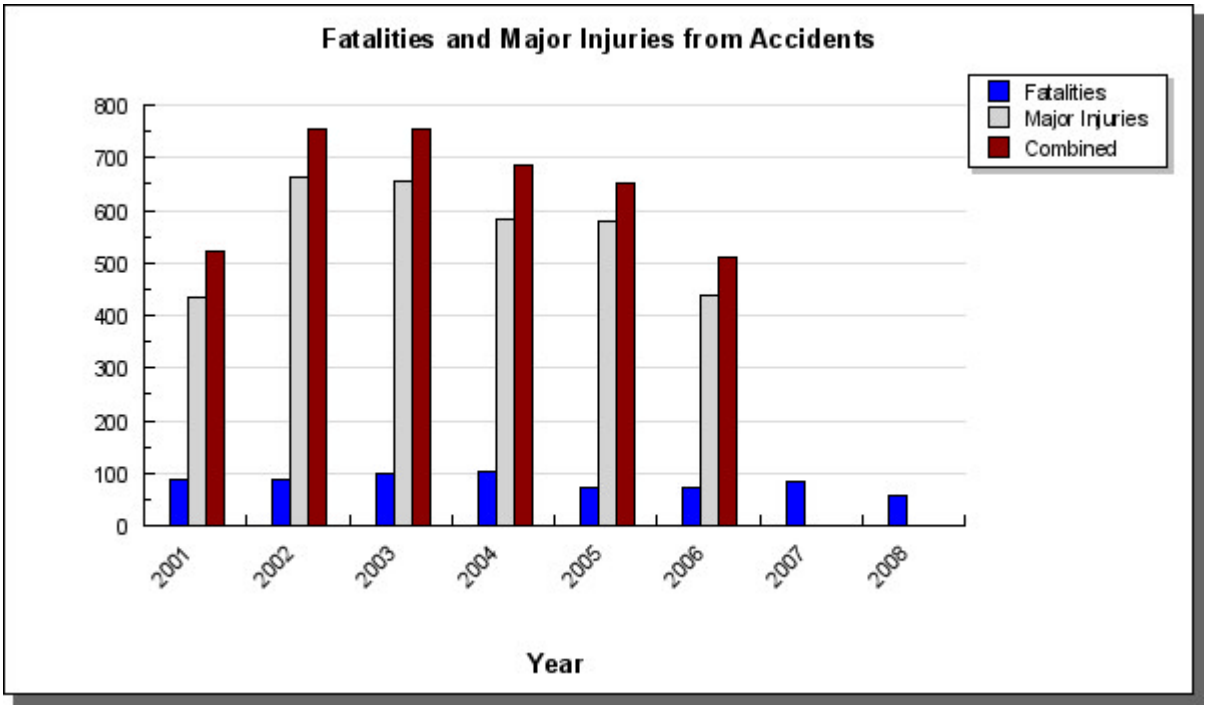
Fiscal Year	YTD Total	% change from prior year
FFY 2008	10.1	-7.3%
FFY 2007	10.9	18.5%
FFY 2006	9.2	+9%
FFY 2005	8.5	-8%
FFY 2004	9.2	+13%
FFY 2003	8.2	+56%
FFY 2002	5.2	-5%
FFY 2001	5.5	

Methodology: Target for FFY09 9.9
Target for FFY08 8.3

Analysis of results and challenges: SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users"), the federal-aid surface transportation authorization created a new set of problems for funding projects. First, flexible formula funding decreased, causing much tighter controls on cost increases to existing projects. Regions were required to offset cost increases with like decreases in other projects. Second, earmarks increased from $68 million over the life of the previous authorization to over $1 billion in SAFETEA-LU. Many of these earmarks have their own challenges - who is the sponsor, what are the particular program requirements, are the funds to be transferred to another federal agency? These issues have added to the average processing time for projects. In addition, this year the lead processor of federal-aid agreements resigned leaving only one person processing federal-aid agreements for approximately the last three months of the federal fiscal year (FFY). Despite this obstacle we were able to lower our processing time and we are confident that we can lower it further in FFY09.

B: Result - Achieve measurable improvement in highway safety.

Target #1: A reduction in the number of fatal and major injury accidents of 1% per year over 5 years.
Status #1: In 2006 the state experienced 511 fatal and major injury accidents resulting in a 21.74% decrease from the prior year, well below the 5-year average of 673.2.



Methodology: Source of fatalities information: FARS
Source of major injuries information: HAS Dataport
Major Injuries information for 2007 and 2008 was not available on 12/09/08.

Fatalities and Major Injuries from Accidents

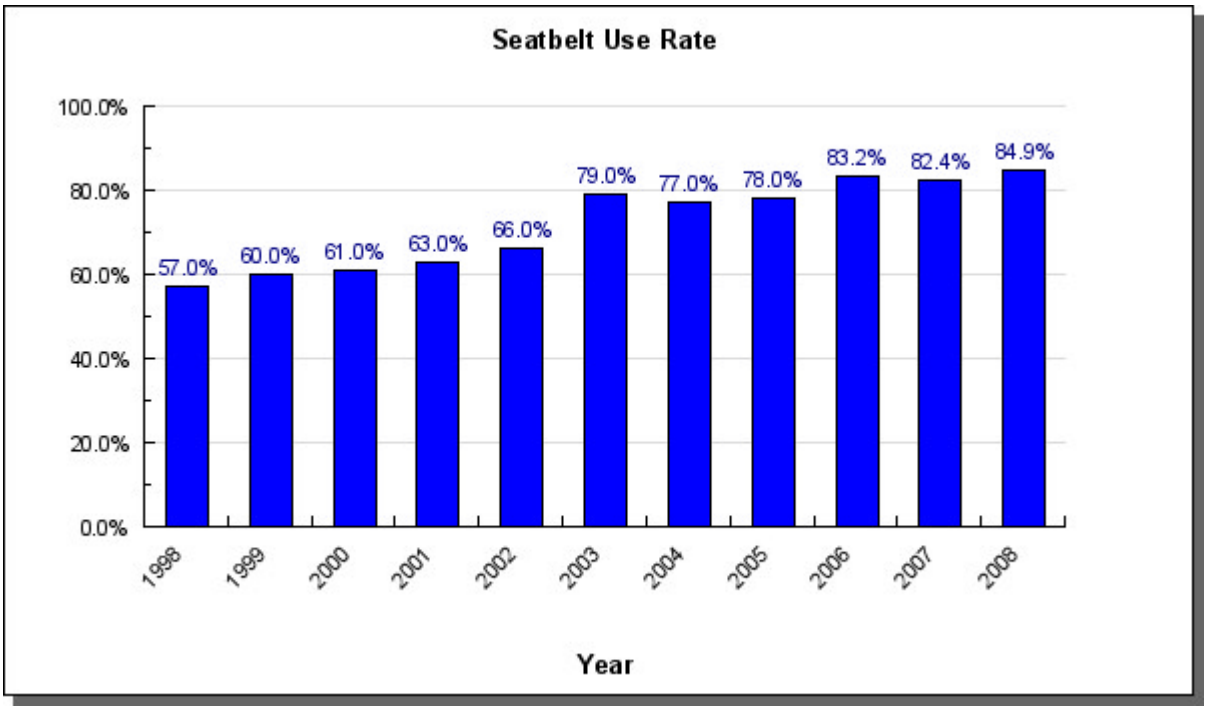
Year	Fatalities	Major Injuries	Combined	Variance
2008	57	0	0	0
2007	83	0	0	0
2006	74	437	511	-21.75%
2005	73	580	653	-4.67%
2004	101	584	685	-9.03%
2003	98	655	753	0%
2002	89	664	753	44.25%
2001	89	433	522	0

Analysis of results and challenges: Fatal and major injury accidents are extremely costly to the individuals involved and society as a whole. Medical costs, lost productivity and the emotional loss are extensive. Society also incurs costs in the form of accident response, public contribution to medical costs and rehabilitation, and even the cost of congestion due to accidents on busy highways. The National Highway Safety Administration estimates the total costs of accidents in Alaska as more than $500 million annually; the majority of these costs are the result of accidents involving major injuries and fatalities.

A major injury accident is one in which the most serious injury is incapacitating, including amputation, concussion, internal injury, severe bleeding, moderate or severe burns, a fracture or dislocation.

B1: Strategy - Increase the public's awareness of safe driving habits.

Target #1: Improve voluntary seatbelt use by at least 4% as compared to the 5-year average.
Status #1: The state experienced a 3.03% increase between 2007 and 2008 in the voluntary use of seatbelts which was surveyed at approximately 84.9%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008.



Methodology: Target is 4% above 5-year average.

Seatbelt Use Rate

Year	YTD Total	Variance
2008	84.9%	3.03%
2007	82.4%	-.96%
2006	83.2%	6.67%
2005	78%	1.30%
2004	77%	-2.53%
2003	79%	19.70%
2002	66%	4.76%
2001	63%	3.28%
2000	61%	1.67%
1999	60%	5.26%
1998	57%	0

Analysis of results and challenges: The Alaska Highway Safety Office is required by federal rules to perform a standardized statewide occupant protection survey each year in order to measure the agency's progress toward eliminating motor vehicle injuries and fatalities.

The Alaska Highway Safety Office strives to prevent the loss of life, personal injury, and property damage caused by traffic crashes, and to reduce the resulting economic losses to the residents of Alaska through outreach programs and federally funded highway safety grant projects.

The agency coordinates highway safety programming focused on public education, enforcement, promotion of new safety technology, integration of public health strategies, collaboration with safety and private sector organizations, and cooperation with state and local governments.

Achieving a high rate of seat belt usage is a low cost means of reducing accident severity to drivers and occupants. A new department goal of being among the top ten states for seat belt compliance creates a moving target, since other states are striving to raise their seat belt compliance rate as well. However, by seeking to be among the top ten states, or in the top 20% of all states, Alaska has set a "stretch goal" which is attainable, and will self adjust to the general trend of greater compliance over time. One of the measures that will help to achieve this goal is heightened enforcement; this is being achieved with the decision to fund the new Highway Bureau, a targeted arm of the Alaska State Troopers dedicated to law enforcement on the highway system. Our goal is to be one of the top 10 states in the nation in seat belt usage. Currently, New Jersey is the tenth state in the nation with the highest 5-year average in seat belt usage rate at 86.1%; Alaska's rate is currently 79.9%.

B2: Strategy - Emphasize safety in transportation decision making.

Target #1: A federally reviewed Strategic Highway Safety Plan.
Status #1: The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.

Timeline to Complete Strategic Highway Safety Plan

Fiscal Year	Target Date	Actual Date
FY 2007	June 2007	September 2007

Analysis of results and challenges: The U.S. Department of Transportation, through several agencies (FHWA, National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration) is requiring each state highway agency to develop a strategic highway safety plan that follows 22 emphasis areas. Such plans are cross-agency in nature, addressing opportunities to positively influence safety through enforcement, engineering, driver behavior, enforcement of driving laws and other strategies. The Division of Program Development will spearhead this effort, but it will eventually involve participation from a wide variety of other internal and external components that also contribute to highway safety.

The plan was completed and approved by the Federal Highway Administration as of September 2007. This met the legal deadline and ensured the Alaska Department of Transportation and Public Facilities will receive approximately $9 million in both 2008 and 2009 to help with safety projects.

In September of 2008, the department held a follow-up meeting of those involved in developing the plan both to measure progress to date and to give support to the many different strategies contained in the plan. One interim metric was that highway fatalities for 2008 were on pace for a record low number in the decade. This low pace of highway fatalities has continued and by all trends, will be among the lowest in state history adjusted for traffic volume.

Component: Program Development

Contribution to Department's Mission

Optimize state investment in transportation and meet federal requirements by means of data-driven recommendations and meet federal and state requirements through effective data collection, analysis, planning, public involvement and documented decisions.

Core Services

- Develop and maintain statewide area transportation plans to guide transportation infrastructure development over the next 20 years and fulfill federal and state requirements.
- Coordinate the development, submission, and monitoring of the Needs List (a statewide list of transportation needs), and the federally required Statewide Transportation Improvement Program (STIP), as well as the annual capital budget. Provide key analyses to the department management on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Administer federal-aid highway funds statewide.
- Provide data collection and reporting to meet Federal Highway Administration (FHWA) requirements.
- Develop and maintain a bicycle and pedestrian plan, public involvement plan, urban planning and state planning and research, as well as plan for resource development and community access roads programs.
- Develop, administer and maintain the Scenic Byways, Federal Railroad Administration Grants, Safe Routes to Schools, State Highway Comprehensive Safety Program, Federal Transit and Highway Safety Programs.
- Administer the development, submission and monitoring of programs focused on Highway Safety such as but not limited to: impaired driving, child passenger safety, senior drivers, pedestrian and bicycle education and safe communities and youth.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $4,577,500

Personnel:	
Full time	43
Part time	0
Total	43

Component: Central Region Planning

Contribution to Department's Mission

Identify, evaluate and establish priorities for capital projects that improve transportation infrastructure to facilitate economic development and enhance safety and efficiency. This includes development of the Statewide Transportation Improvement Program (STIP), the Airport Improvement Program (AIP), the Statewide Transportation Plan, and regional plans through a public process that results in orderly project and capital budget sequencing, and through the collection of highway and airport traffic volume and condition data.

Core Services

- Establish and maintain cooperative planning processes with Design and Engineering Services, Maintenance and Operations, other state and federal agencies, and local governments. This includes providing legislators, local governments, other agencies and private citizens with a central point of contact to facilitate the exchange of information with the department and to allow these groups access to the Department of Transportation and Public Facilities' (DOT&PF) decision-making process;
- Meet requirements of the Federal Highway Administration (FHWA) that make Alaska eligible to receive federal highway funding. These requirements include collection of traffic and highway inventory data, coordination with local governments, implementation of public involvement procedures, and development of a STIP and Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP) for FHWA funds;
- Meet requirements of the Federal Aviation Administration (FAA) that make Alaska eligible to receive federal airport development funds. These requirements include verification of enplanement data used to determine the state's allocation of FAA funding, the preparation of airport master plans, and the annual preparation of the program for aviation improvements;
- Prepare a capital improvement program to address improvement needs for roadways, ports and harbors, erosion control, pathways, barrier-free access, and other public facilities.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,844,200

Personnel:	
Full time	18
Part time	0
Total	18

Component: Northern Region Planning

Contribution to Department's Mission

Identify, evaluate and prioritize capital projects that improve transportation and public facility infrastructure and facilitate economic development and improve safety and efficiency. This includes development of the Statewide Transportation Improvement Program (STIP), the Airport Improvement Program (AIP), and regional plans through a public process that results in orderly project development and capital budget sequencing, and through collection of highway and airport traffic volume and condition data.

Core Services

- Establish and maintain cooperative planning processes with D&ES, M&O, other state and federal agencies, local governments and private entities. This includes providing legislators, local governments, metropolitan planning organizations, and other agencies and private citizens with a central contact point to facilitate the exchange of information with the department. Facilitate participation of these groups in DOT&PF decision-making process and incorporate DOT&PF input into plans being prepared.
- Identify and evaluate needed transportation and public facility improvements for inclusion in the Statewide Transportation Improvement Plan (STIP), the Airport Improvement Plan (AIP) and the state capital improvement program for roadways, airports, ports and harbors, erosion control, pathways, and other public facilities.
- Meet requirements of the Federal Highway Administration (FHWA) that make Alaska eligible for Federal-Aid Highway funds. These requirements include collection of traffic and highway inventory data, coordination with local governments, implementation of public involvement procedures, and development of a STIP for FHWA funds.
- Meet requirements of the Federal Aviation Administration (FAA) that make Alaska eligible to receive federal funding for airport development in Alaska. These requirements include verification of enplanement data used to determine the state's allocation of FAA funding, the preparation of airport master plans, and the annual preparation of the AIP for FAA funding.
- Prepare capital improvement programs and establish projects that address improvement needs for streets and highways, airports, ports and harbors, erosion control, barrier-free access for the disabled, and other public facilities.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,847,000

Personnel:	
Full time	15
Part time	1
Total	16

Component: Southeast Region Planning

Contribution to Department's Mission

To contribute to the development of the statewide transportation improvement program, aviation spending plan, the state transportation plan, and regional plans through a public process that results in highway data collection; orderly capital budget sequencing; and project development.

Core Services

- Maintain a dialog with community leaders and the public to identify transportation needs, develop consensus and explain plans and programs developed to address those needs. Communicate through public meetings, public notices, email, telephone calls and written correspondence.
- Solicit transportation project nominations from communities, Native organizations, governmental agencies, departmental divisions, businesses and the public; review information for completeness; screen and regionally prioritize project nominations; obtain cost estimates from design section; prepare project information sheets and present projects to the department's Project Evaluation Board for ranking.
- Coordinate Forest Highway Program (FHP) statewide with the State Transportation Improvement Program. Support Program Development Director in representing department and community interests in tri-agency meetings with representatives from the U.S. Forest Service and Federal Highway Administration to program FHP funding and guide development of FHP projects. Participate in scoping and prioritizing projects for FHP funding.
- Develop and maintain current airport master plans and Marine Highway System plans, and assist in implementation of the Marine Highway System component of regional transportation plans.
- Assist communities with advice, services and funding in the development and update of local transportation and transit plans. Review community and private development plans for consistency with federal, state and community plans, regulations and laws.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $608,600

Personnel:	
Full time	5
Part time	0
Total	5

RDU/Component: Measurement Standards & Commercial Vehicle Enforcement

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Enhance the safety of the motoring public, protect public infrastructure, and assure market place confidence and equitable trade.

Core Services

- Issue oversize/overweight Commercial Motor Vehicle (CMV) permits. A permit specifies the routes and conditions under which vehicles or loads that exceed legal dimensions and weight limitations may move on the state highway system. Danger and inconvenience to the traveling public are minimized and potential damage to the highway structures and bridges is reduced.
- Commercial Vehicle Enforcement (CVE) operates seven-fixed, functional weigh stations at key locations, performs roadside inspections using mobile inspection teams, and has patrol units performing traffic stops on unsafe operators. CVE Officers weigh and inspect commercial vehicles to ensure they meet federal and state operating safety standards and regulations for size, weight, safety, permit and hazardous materials transport.
- Intelligent Transportation Systems/Commercial Vehicle Operations (ITS/CVO) - Freight Mobility, develop, deploy and operate Intelligent Transportation Systems to facilitate greater mobility and efficiencies in commercial vehicle operations. The Freight Coordinator uses a Freight Analysis Framework to plan for a coordinated multimodal freight system within the State of Alaska.
- Commercial motor vehicle outreach - Provide safety and hazardous material transport training and coordination of secondary size, weight and safety enforcement activities with other state and local enforcement agencies.
- Measurement Standards Testing - Test prepackaged commodities labeled by weight or volume at retail and wholesale locations, ensuring the accuracy of net content weights. Inspect, test, and certify commercial meters, retail scanning systems, and commercial scales including retail, medium, large, fishing, and vehicle scales.
- Measurement Standards Metrology Laboratory - Provides calibration and certification for the standards used by Weights and Measures Inspectors, other government agencies and industry. This includes mass standards to 1,000 pounds, volumetric provers to 1,000 gallons, speed detection devices, and portable weight enforcement scales. All certified equipment is traceable to the state standards.

End Result	Strategies to Achieve End Result
A: Reduce fatalities and injuries from crashes involving Commercial Motor Vehicles (CMV). Target #1: Reduce commercial motor vehicle fatalities to below 5 year average. Status #1: Fatalities resulting from accidents involving commercial motor vehicles increased by 250% from 2 in 2006 to 7 in 2007, which is slightly more than the 5 year average of 5.8 fatalities.	**A1: Increase the safety of commercial motor vehicles.** Target #1: Reduce the commercial motor vehicle out-of-service rate by 1% as compared to the average for the past five years. Status #1: The commercial motor vehicle out-of-service rate decreased between 2007 and 2008 by 2.43% ending at 24.58%, which is close to the 5-year average of 24.2%. Target #2: 100% of new entrant carriers to receive a safety audit within 18 months of U.S. DOT registration. Status #2: 100% of new entrant carriers received a safety audit within 18 months of registration in 2007, which was the same level as 2006.
End Result	**Strategies to Achieve End Result**

End Result	Strategies to Achieve End Result
B: Protect and preserve highway infrastructure. Target #1: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites. Status #1: 99.4% of the commercial motor vehicles that were inspected in 2008 were weight compliant, which is the same percentage as in 2007.	**B1: Reduce number of illegal oversize/overweight Commercial Motor Vehicles (CMV's) on highways.** Target #1: Increase the number of roadside (mobile enforcement) commercial truck inspections by 5% over the previous year. Status #1: The number of roadside commercial truck inspections decreased in 2008 by 9.82%, bringing total inspections to 5,151.
C: Assure and maintain market place confidence and equitable trade. Target #1: Increase scale, meter and price verification compliance rate by 1%. Status #1: Weighing and measuring device compliance decreased from 90% in 2007 to 85% in 2008 of all scale, meter and price verification tests that were performed.	**C1: Provide efficient inspection program.** Target #1: Increase the number of scale, meter and price verification inspections by 1% compared to previous year. Status #1: The number of scale, meter and price verification inspections increased between 2007 and 2008 by 11.18% to 17, 611 devices being inspected. Target #2: Increase the number of package lots inspected by 10% compared to previous years. Status #2: This is the first year of reporting for the Package Testing program.

FY2010 Resources Allocated to Achieve Results

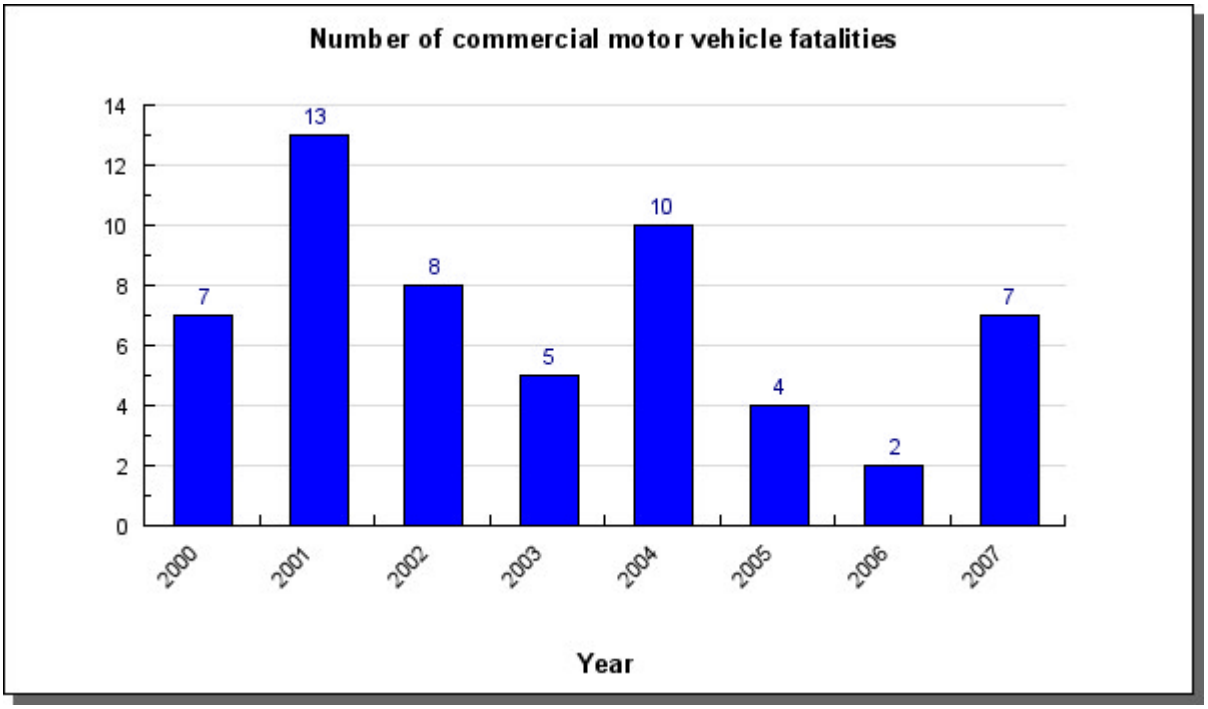
FY2010 Component Budget: $6,692,800

Personnel:	
Full time	71
Part time	0
Total	71

Performance

A: Result - Reduce fatalities and injuries from crashes involving Commercial Motor Vehicles (CMV).

Target #1: Reduce commercial motor vehicle fatalities to below 5 year average.
Status #1: Fatalities resulting from accidents involving commercial motor vehicles increased by 250% from 2 in 2006 to 7 in 2007, which is slightly more than the 5 year average of 5.8 fatalities.



Methodology: Target is to have fewer fatalities than the average of the five prior years. Five-year average (2002-2006) 5.8 fatalities.

Data is reported on a calendar year basis.

Number of commercial motor vehicle fatalities

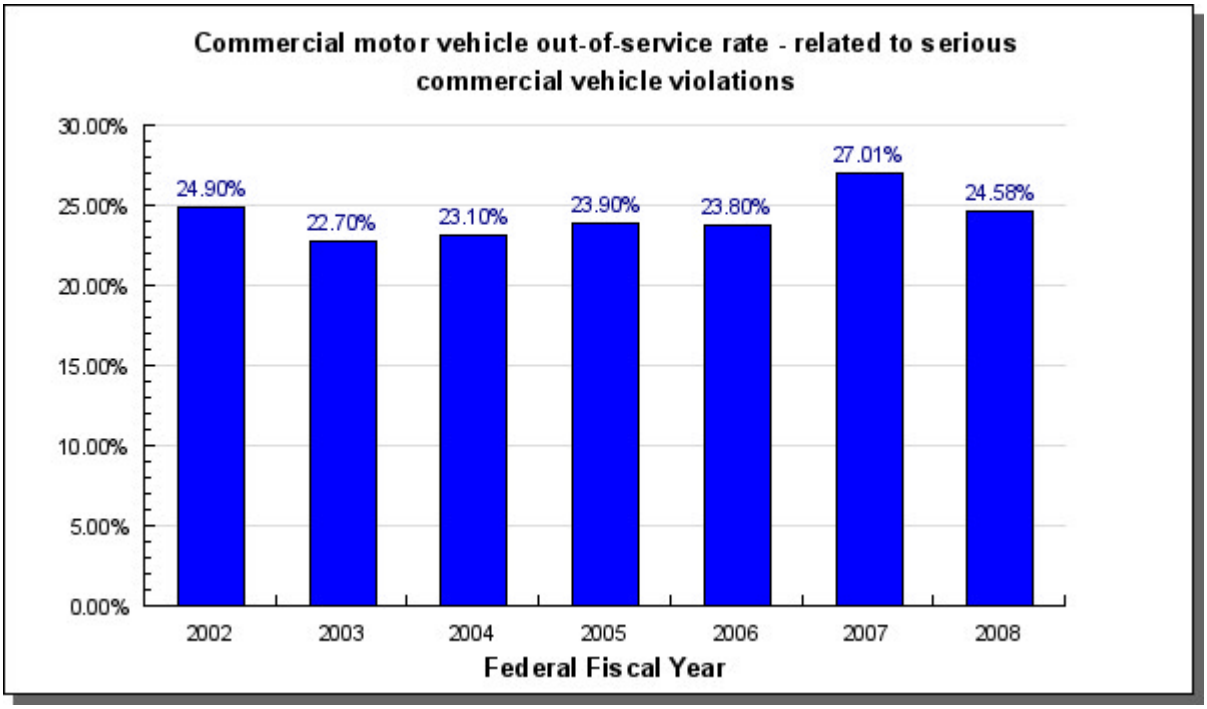
Year	YTD Total	% Change
2007	7	250.00%
2006	2	-50.00%
2005	4	-60.00%
2004	10	100.00%
2003	5	-37.50%
2002	8	-38.46%
2001	13	+85.71%
2000	7	

Analysis of results and challenges: Nationwide, in 2007, 4,808 people died in crashes involving a large truck, compared to 5,235 in 2004. While significant progress is being made toward meeting the goal of saving lives by preventing truck and bus crashes, much more needs to be done. Violations add potential risk. Risk is defined as the likelihood that a violation would be a contributing factor to a crash or hazardous materials release or exposure.

The challenge is to distinguish among violations that contribute to a significant, immediate risk of a crash or hazardous materials incident; violations that pose less significant risks; and violations that pose little or no risk. Five of the seven fatalities from the accidents that occurred in Alaska in 2007 were not the fault of the commercial motor vehicle driver. The other two fatalities were due to winter snow, ice and darkness conditions. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) will continue working with the Alaska State Troopers and police departments to target unsafe drivers around commercial vehicles. Department enforcement activities will be targeted to those areas where there is an immediate risk of crashes or hazardous material incidents.

A1: Strategy - Increase the safety of commercial motor vehicles.

Target #1: Reduce the commercial motor vehicle out-of-service rate by 1% as compared to the average for the past five years.
Status #1: The commercial motor vehicle out-of-service rate decreased between 2007 and 2008 by 2.43% ending at 24.58%, which is close to the 5-year average of 24.2%.



Methodology: Data is reported on a federal fiscal year basis.
Target is to reduce 5% from prior year.
Five-year average (2003-2007): 24.2%

Analysis of results and challenges: The Motor Carrier Safety Assistance Program (MCSAP) through the Commercial Vehicle Safety Alliance (CVSA) has established Out-of-Service criteria for commercial vehicle and drivers. Using those criteria in the course of conducting vehicle/driver inspections vehicles and/or drivers can be placed out-of-service. The national vehicle out-of-service rate for 2007 was 22.28%.

While Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) focused on the second truck population during the past fiscal year, the number of out-of-service violations decreased. This decrease indicates that the second truck population is in the process of coming into compliance with the latest regulations, by education and enforcement. The deployment of mobile inspection systems will expand inspections on the second truck populations in areas not covered by weigh stations or one day roadside inspection units. Second truck populations are those that travel on the road system and have routes that miss the fixed weigh stations.

Risk management is the process by which an organization identifies and understands sources of risk, makes decisions on how to allocate resources to address these risks, and confirms the validity of these decisions using performance results. MS&CVE is using risk-based decision-making to enhance agency efforts to promote the safe operation of commercial motor vehicles. One approach is in the risk-based differentiation of the vehicle, driver, and

hazardous materials violations found during inspections. MS&CVE can focus out of service enforcement and education during safety inspections by concentrating on the highest risk violations.

Target #2: 100% of new entrant carriers to receive a safety audit within 18 months of U.S. DOT registration.
Status #2: 100% of new entrant carriers received a safety audit within 18 months of registration in 2007, which was the same level as 2006.

Percent of new entrant compliance reviews within 18 months of U.S. DOT registration.

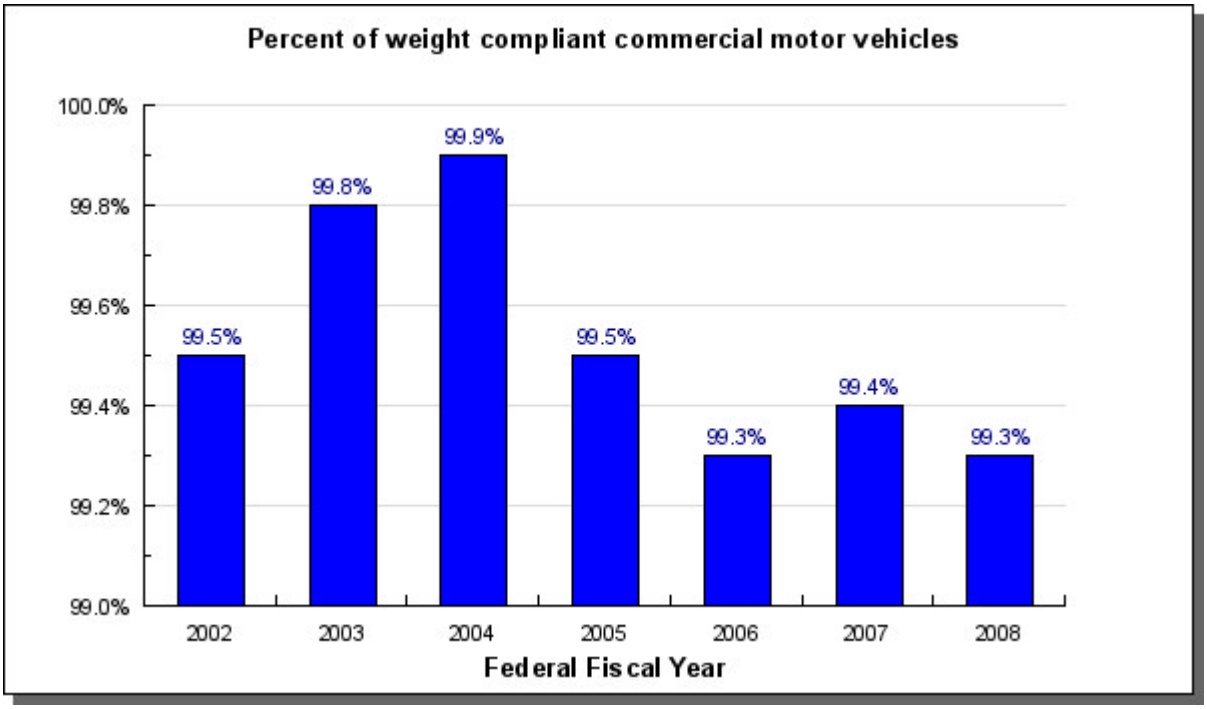
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FFY 2008	100%	100%	100%	100%	0
FFY 2007	100%	100%	100%	100%	100%
FFY 2006	100%	100%	100%	100%	100%
FFY 2005	100%	100%	100%	100%	100%
FFY 2004	not available	not available	100%	100%	100%

Methodology: Data is reported on a federal fiscal year basis.

Analysis of results and challenges: The Federal Motor Carrier Safety Administration (FMCSA) develops, maintains, and enforces federal regulations that promote carrier safety, industry productivity, and new technologies. The FMCSA regulations establish safe operating requirements for commercial vehicle drivers, carriers, vehicles, and vehicle equipment. The Motor Carrier Safety Assistance Program (MCSAP) is a federal grant program that provides states with financial assistance to hire staff and implement strategies to enforce FMCSA regulations and hazardous materials regulations. MCSAP funds are used to conduct roadside inspections and review motor carriers' compliance with the associated regulations. MCSAP funds promote detection and correction of commercial motor vehicle safety defects, commercial vehicle driver deficiencies, and unsafe motor carrier practices before they become contributing factors to crashes and hazardous materials incidents.

B: Result - Protect and preserve highway infrastructure.

Target #1: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites.
Status #1: 99.4% of the commercial motor vehicles that were inspected in 2008 were weight compliant, which is the same percentage as in 2007.



Methodology: Data is reported on a federal fiscal year basis.

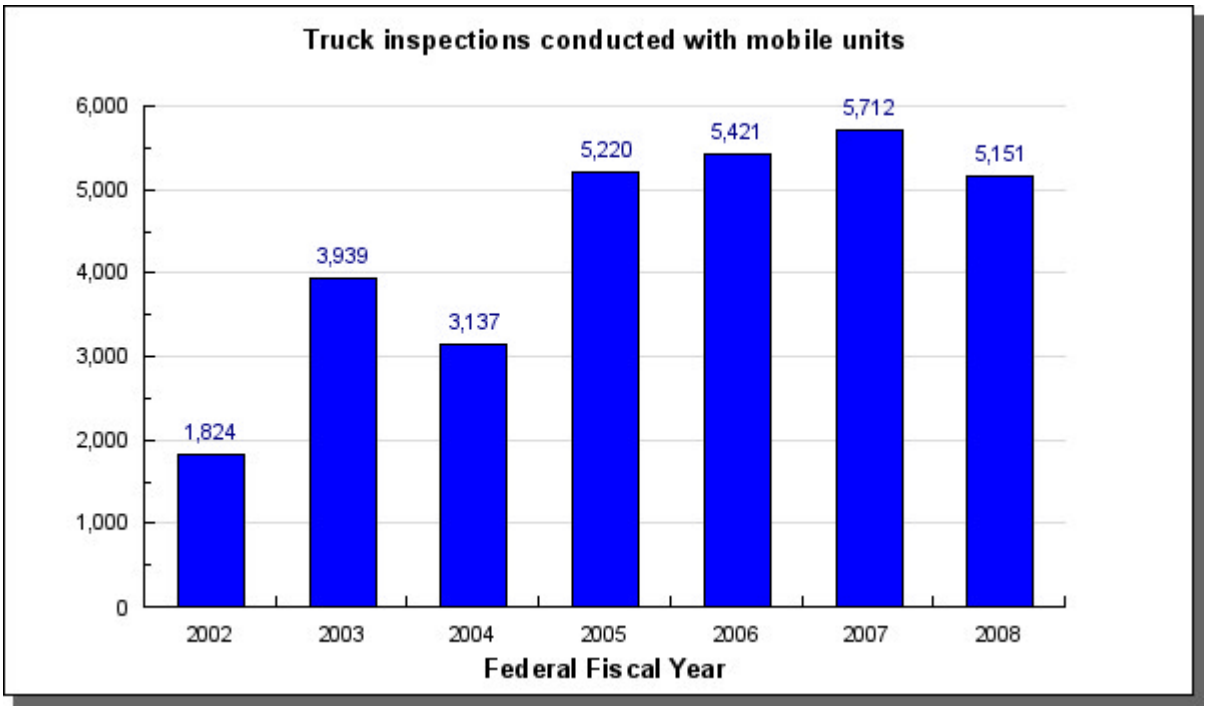
Analysis of results and challenges: Division inspection efforts focus on maintaining the high level of compliance at weigh stations and improving compliance at the roadside inspection locations. Weight compliant commercial motor vehicles do not contribute to premature deterioration of Alaska's roads and bridges.

The department continues to place emphasis on inspections through expanded mobile enforcement coverage, authorized traffic stops by selected and trained Commercial Vehicle Enforcement Officers, and conducting joint operations with the Alaska State Troopers and local police departments. Measurement Standards & Commercial Vehicle Enforcement (MSCVE) does not interact with privately owned vehicles or their drivers; however they are authorized by the Federal Motor Carrier Safety Administration (FMCSA) to use up to 5% of our Motor Carrier Safety Assistance Program (MCSAP) budget to fund other agencies to assist in these mandated efforts. MSCVE routinely enters into contracts with local law enforcement agencies throughout the State to supplement enforcement efforts and to increase and encourage safe operations of commercial vehicles. Additionally this past year, MS&CVE funded the Alaska State Troopers to enhance enforcement efforts on unsafe practices involving CMVs on the Elliot and Dalton Highway (Haul Road), from Fairbanks to the end of the road.

B1: Strategy - Reduce number of illegal oversize/overweight Commercial Motor Vehicles (CMV's) on highways.

Target #1: Increase the number of roadside (mobile enforcement) commercial truck inspections by 5% over the previous year.

Status #1: The number of roadside commercial truck inspections decreased in 2008 by 9.82%, bringing total inspections to 5,151.



Methodology: Data is reported on a federal fiscal year basis.

Truck inspections conducted with mobile units

Fiscal Year	YTD Total	% change
FFY 2008	5151	-9.82%
FFY 2007	5,712	+5.36%
FFY 2006	5,421	+3.90%
FFY 2005	5220	+66.40%
FFY 2004	3,137	+20.36%
FFY 2003	3,939	+115.95%
FFY 2002	1,824	

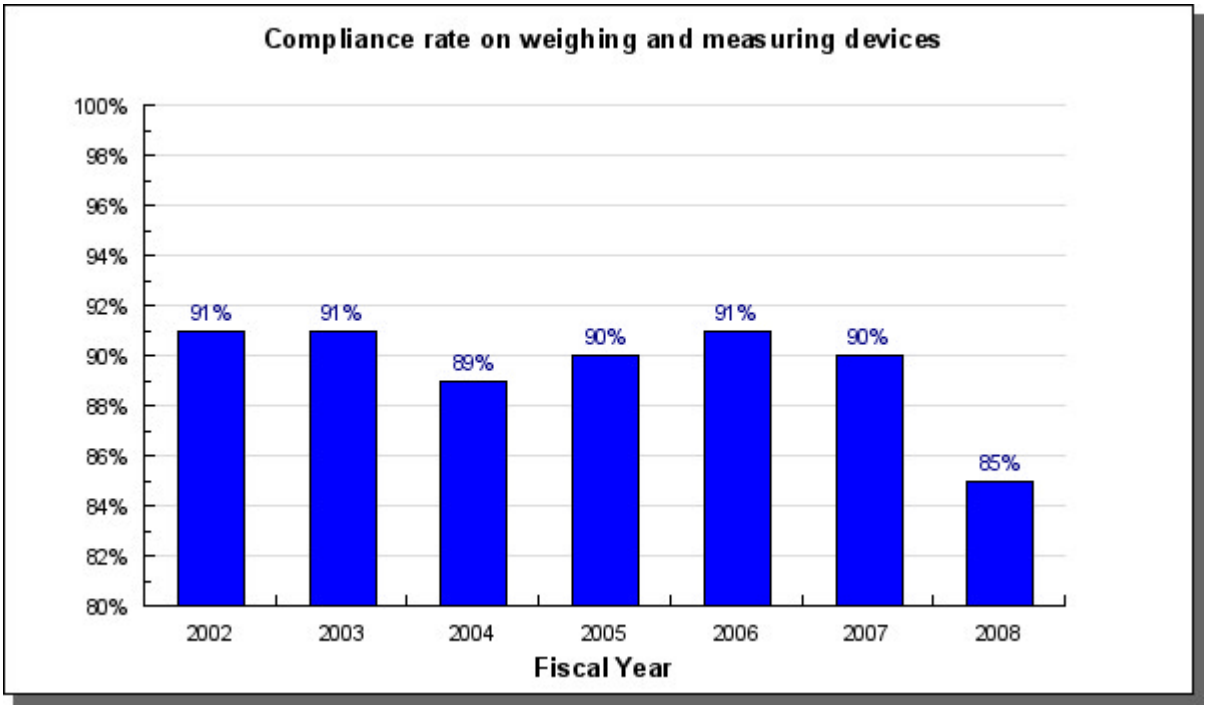
Analysis of results and challenges: Commercial Motor Vehicles (CMVs) that do not routinely pass through a fixed weigh station location for inspection are more likely to be non-compliant in both size and weight. Division inspection efforts focus on identifying and correcting non-compliant oversize and overweight vehicles as both pose serious threats to highway safety and premature deterioration of Alaska's roads and bridges. The frequency of roadside commercial vehicle inspections will be monitored to ensure that non-compliant CMVs operating on the public roadways are found and inspected.

Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) did not achieve the target of increasing roadside (mobile enforcement) inspections by 5% over the previous year. The main reason for the decrease in the number of roadside inspections is the aging workforce. The current workforce that comprises Commercial Vehicle Enforcement Officers is aging, like much of the state's workforce, and many are close to retirement age. This has caused an increase in issues that have pulled a number of the more experienced personnel from active roadside duty. While MS&CVE has continued to conduct roadside inspections, these are now being done by a number of less

experienced officers, thereby decreasing the number of overall inspections. As these officers become more experienced, we anticipate the number of roadside inspections to increase to previous levels, additionally there has been low interest shown during times of recruitment and the time it takes to train an officer to MSCVE standards is lengthy and is continuous throughout their career.

C: Result - Assure and maintain market place confidence and equitable trade.

Target #1: Increase scale, meter and price verification compliance rate by 1%.
Status #1: Weighing and measuring device compliance decreased from 90% in 2007 to 85% in 2008 of all scale, meter and price verification tests that were performed.



Compliance rate on weighing and measuring devices

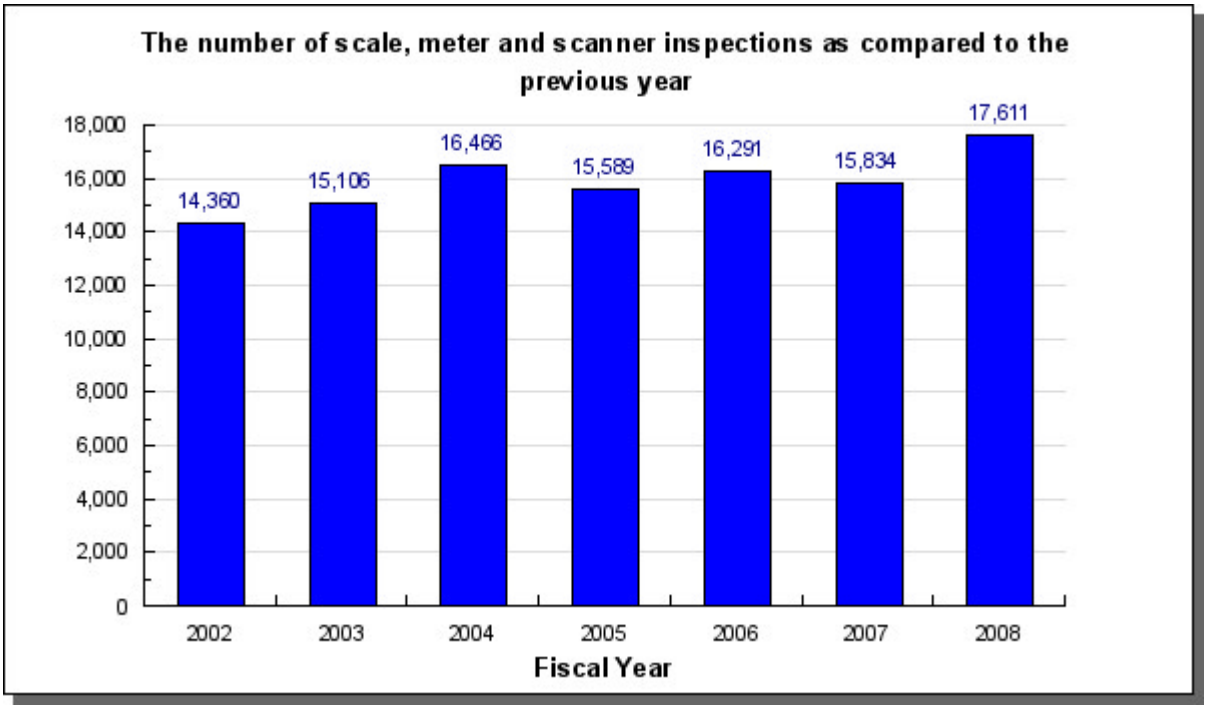
Fiscal Year	YTD Total	% change
FY 2008	85%	-5%
FY 2007	90%	-1%
FY 2006	91%	+1%
FY 2005	90%	+1%
FY 2004	89%	-2%
FY 2003	91%	0%
FY 2002	91%	

Analysis of results and challenges: The filling of two inspector positions as well as a change in management personnel has brought this section to full staffing levels and has resulted in an actual increase in inspections for FY08. However, a change in the reporting procedures causes the compliance rate to show a decrease for this reporting period. In previous years, the compliance rate was based on an "as left" status of the devices inspected and was not reporting the true state of devices operating in the market place. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) is now reporting the compliance rate based on an "as found" status of the devices inspected. This decrease in the compliance rate was anticipated with this reporting change. The difference in our reporting procedures is we now report the devices condition as we find it, not as we leave it. In the past this allowed repairs to be made to the device to bring it back into compliance prior to issuing its condition report and "Approved for Use" certificate. Future targets will be based on this new compliance percentage rate. Challenges for FY09 will be to continue the training of new staff members, bring the new test equipment on line, and to develop a procedure to apply civil penalties to those businesses that fail to voluntarily comply with state statutes. Frequency of testing has always been the most effective method for reducing compliance failure rates. The addition of one new inspector position will allow MS&CVE to increase the frequency of testing for retail fuel dispensers in certain areas to less than once a year. Alaska Statute 45.75.080 "General testing" mandates that the director shall, at least annually and more often as considered necessary, inspect and test, to ascertain if they are correct, all weights and measures that are commercially used in Alaska. There are still many rural areas that cannot be tested at all due to a lack of equipment and budgetary constraints. MS&CVE is continuously exploring ways to be compliant with Alaska's laws.

C1: Strategy - Provide efficient inspection program.

Target #1: Increase the number of scale, meter and price verification inspections by 1% compared to previous year.

Status #1: The number of scale, meter and price verification inspections increased between 2007 and 2008 by 11.18% to 17, 611 devices being inspected.



Methodology: Data is reported on a state fiscal year basis.

The number of scale, meter and scanner inspections as compared to the previous year

Fiscal Year	YTD Total	Variance
FY 2008	17,611	11.22%
FY 2007	15,834	-2.79%
FY 2006	16,291	4.50%
FY 2005	15,589	-5.33%
FY 2004	16,466	9.00%
FY 2003	15,106	5.19%
FY 2002	14,360	0

Analysis of results and challenges: The department's goal is to assure market place confidence and equitable trade through increasing and improving scale, meter and retail pricing compliance rates. Emphasis will be placed on inspecting registered weighing and measuring devices annually, increasing large fuel meter inspections, increasing enforcement presence, and improving inspector productivity in the performance of price verification/scanner inspections. The combined number of scale, meter and price verification inspections increased by 11.18% in FY2008.

Scales: Bringing the number of filled positions back to proper levels has resulted in a substantial increase in overall inspections. Three replacement pieces of crucial test equipment will be assembled and brought on line in FY09/10. These test trucks will increase the safety and productivity of our inspectors, which will give us the opportunity to perform an analysis of vehicle scale installations and provide the data necessary to support a regulations change requiring businesses to follow detailed installation procedures.

Meters: An increase in inspections due to the addition of new retail dispensers and the opening of new businesses in FY08 increased the number of devices inspected. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) increased the inspections of fuel dispensers at the retail level in FY08 and will continue this effort in FY09 due to the high price of fuel and the potential for inaccurate measurement. New equipment added mid-year will increase the capacity to inspect meters in Southeast Alaska and the Aleutians. One new inspector will be added to the meter testing program by January 1st, 2009.

Price Verification Testing: A vibrant economy and growth in the retail sector has increased the number of locations inspected. We anticipate the trend to continue in FY09 and beyond. Assigning a staff member full time to the task has resulted in a 35% increase in the number of price verification tests performed annually. Businesses in Alaska continue to be on pace with the national average of 98% compliant. The application of civil penalties will be an effective enforcement tool for those businesses that do not respond to our efforts to gain voluntary co-operation with regards to pricing accuracy.

Target #2: Increase the number of package lots inspected by 10% compared to previous years.
Status #2: This is the first year of reporting for the Package Testing program.

Number of Package Lots Inspected

Fiscal Year	YTD Total
FY 2008	605

Methodology: Data is reported on a state fiscal year basis.

Analysis of results and challenges: During FY08 the Package Testing program staffed by one full-time employee inspected 605 package lots representing 144,367 packages. Seventy package lots totaling 17,500 packages were found to be deficient. This program protects consumers from purchasing short weight products and is another area of enforcement we take to ensure consumer confidence in the marketplace.

The Divisions' Package Testing Program was implemented to meet our obligation identified in Alaska Statute 45.75.100 "Inspection of packages". With this mandate we are testing to verify whether packages contain the amounts represented and whether they are kept, offered, or exposed for sale in accordance with law. Testing is conducted in accordance with procedures set out in 17AAC 90.615, which states that National Institute of Standards and Technology Handbook 133 will be used as the State of Alaska test manual.

In order to test large quantities of packages with a degree of accuracy; statistically valid random selections are made from package lots. The sizes of these lots are determined by the inspector. All prepackaged commodities are subject to our enforcement actions; however we have developed a system of priorities to maximize the effectiveness of our limited resources. The highest priority is for those items labeled, packaged or manufactured in Alaska. Secondary priority would be those items imported from outside Alaska.

Through experience we have determined that inspectors should limit the lot sizes to no greater than 250 items. It is possible to test larger lot sizes in some of our manufacturing plants but the process can be counter-productive to our mission. When a lot is determined, a random selection of the total packages are identified for testing, an average empty container weight of this sample is determined through destructive testing and the remainder of the packages are weighed to ascertain if the lot meets the declared weight, including a calculated tolerance. Those lots that are found to be deficient are placed off-sale. Owners are given the opportunity to re-label, return to manufacturer or donate to charity.

Design and Construction Results Delivery Unit

Contribution to Department's Mission

Improve the transportation system in Alaska and protect the health and safety of the people of Alaska by developing transportation and public facilities projects and constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Design has primary responsibility for a project from its initial funding through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. Design staff prepare geotechnical reports for the project site and materials sources, obtain necessary land interests and environmental clearances and permits, and prepare plans and obtain agreements with utility companies for required relocations.
- Design provides technical support functions to the department, other state and federal agencies, and local governments and the public. Examples include design assistance, traffic speed studies, bridge inspections, materials testing, processing of utility, right-of-way and traffic permits, preparation of environmental documents, a research program, and the Local Technical Assistance Program. The Design and Construction Standards section develops standards that are in use throughout the state.
- The Construction Sections administer construction contracts, provide field inspection and construction oversight, provide quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and report Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- The Contracts staff review construction documents, provide bid packages, advertise and award contracts, prepare certified bid tabulations, and help resolve bidding disputes. This unit also coordinates, solicits, selects, prepares and administers professional services agreements.
- The Project Control Sections coordinate and program project funding; administer state and federal grants; provide engineering management support; prepare and manage data within a management reporting system for capital projects; provide regional network administration and desktop computer support; and process time and equipment charges to projects.
- The Statewide Public Facilities Office oversees all building planning, design and construction related activities and acts as the advocate for department-wide facility needs. This section provides cost estimates and management services necessary to renovate, repair or build new state-owned public facilities.

End Result	Strategies to Achieve End Result
A: Improve department efficiency. Target #1: Maintain the percentage of administrative and engineering costs below 30% of total project costs. Status #1: The percent of administrative and engineering costs compared to total project costs decreased to 20.3% in FFY2008, well within the department's target of 30%. Target #2: Advertise 75% of new highway and aviation construction project funding by April 30th. Status #2: 60.8% of new highway and aviation construction projects were advertised by April 30th, 2008, which is an increase from the prior year but still short of the goal of 75%.	**A1: Reduce design and engineering costs.** Target #1: Maintain design engineering averages at 15% or less of total project costs. Status #1: Design engineering costs decreased to 8% in 2008 compared to 9% in 2007, well below the goal of 15%. Target #2: Improve the percentage of projects that exceed $1 million having formal pre-authorization scope meetings to 75%. Status #2: The percentage of projects over $1 million that had formal pre-authorization scope meetings increased from 64% in 2007 to 97% in 2008. **A2: Reduce construction project costs.**

Target #3: Reduce the percentage difference between bid and final contractor payments to 8%. Status #3: The department maintained the percentage difference between bid and final contractor payments at 9% in 2007 and 2008 but still is short of the 8% goal.	Target #1: Maintain construction engineering (CE) costs at 14.5% or less of total contractor payments. Status #1: Construction engineering costs increased to 13.6% of total project costs in 2008 from 10.1% in the prior year, still below the goal of 14.5%. **A3: Accelerate project closeouts.** Target #1: Close out 80% of construction contracts within the next fiscal year following the project completion date as stated in the Project Completion Letter. Status #1: The percentage of construction contracts closed during the fiscal year following project completion increased from 60% in 2007 to 67% in 2008, still well below the target of 80%.

Major Activities to Advance Strategies

- Design roads to appropriate standards
- Minimize in-house costs for preconstruction services
- Manage consultant contracts in a cost effective manner
- Timely close-out of construction projects
- Compare and contrast cost of in-house construction engineering (CE) with consultant CE
- Cross training between Design and Construction
- Involve Construction and Maintenance in design process from project scoping
- Explore innovative contracting methods
- Greater use of technology in the field

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $103,476,900

Personnel:	
Full time	755
Part time	226
Total	981

Performance

A: Result - Improve department efficiency.

Target #1: Maintain the percentage of administrative and engineering costs below 30% of total project costs.
Status #1: The percent of administrative and engineering costs compared to total project costs decreased to 20.3% in FFY2008, well within the department's target of 30%.

Percent of administrative and engineering costs to total project costs

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2008	24.2%	19.2%	9.9%	20.3%
FFY 2007	22%	24%	26%	24%
FFY 2006	21%	23%	13%	18%
FFY 2005	20%	22%	23%	21%
FFY 2004	21%	26%	23%	22%

Analysis of results and challenges: The aim of this measure is to get more capital dollars into construction or into other related fieldwork by maintaining overhead costs at an acceptable level. This will benefit the private sector and the traveling public. Percentages are calculated by summing up all administrative and engineering costs - i.e., all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments - and dividing those administrative and engineering costs by the total of all project costs.

Target #2: Advertise 75% of new highway and aviation construction project funding by April 30th.
Status #2: 60.8% of new highway and aviation construction projects were advertised by April 30th, 2008, which is an increase from the prior year but still short of the goal of 75%.

Percent of construction contract funding advertised by April 30th

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2008	59.7%	45.9%	95.1%	60.8%
FFY 2007	54%	14%	66%	40%
FFY 2006	47%	56%	27%	42%
FFY 2005	31%	42%	51%	38%

Analysis of results and challenges: The purpose of this target is to get projects to construction early enough in the calendar year so as not to lose a full construction season. Ideally advertising should take place in January or February so a contract can be awarded in May.

Issues that have prevented the regions from providing timely contract advertising include difficulties with receiving federal grants and funding, attempting to implement very large, complex projects, a shortage of staff, difficulty with permitting agencies, new regulations and rules from state and federal agencies and unanticipated historic archaeological and hazardous materials issues.

Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Target #3: Reduce the percentage difference between bid and final contractor payments to 8%.
Status #3: The department maintained the percentage difference between bid and final contractor payments at 9% in 2007 and 2008 but still is short of the 8% goal.

Difference between contractor bids and final contractor payments

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2008	10%	10%	1%	9%
FFY 2007	6%	17%	5%	9%
FFY 2006	12%	11%	5%	11%
FFY 2005	15%	12%	6%	13%
FFY 2004	14%	29%	9%	18%

Analysis of results and challenges: Several large construction projects can contribute to a higher percentage difference in a year. Issues driving those changes could be availability of federal funds, additional work requested by the federal granting agency, or unknown site conditions that became evident during construction that require additional excavated materials or a different design.

A1: Strategy - Reduce design and engineering costs.

Target #1: Maintain design engineering averages at 15% or less of total project costs.
Status #1: Design engineering costs decreased to 8% in 2008 compared to 9% in 2007, well below the goal of 15%.

Percent of Design Costs to Total Project Costs

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2008	9%	7%	8%	8%
FFY 2007	8%	9%	9%	9%
FFY 2006	8%	9%	8%	9%
FFY 2005	7%	8%	9%	8%
FFY 2004	9%	10%	8%	9%

Analysis of results and challenges: Ratios are calculated by summing the final design costs of all highway and aviation construction projects that receive final acceptance in a given state fiscal year, then comparing the total to the total project costs.

To provide design engineering services at 15% of the total project costs is a measure of the department's efficiency in the delivery of bid documents. The increasing complexity of the design process requires more effort than in previous years. Examples include public involvement demands, regulatory agency constraints, utility relocation costs, right-of-way costs, and the higher cost of utilizing consultants.

The results show that Design has been successful holding costs down and has exceeded this target for several years.

Target #2: Improve the percentage of projects that exceed $1 million having formal pre-authorization scope meetings to 75%.
Status #2: The percentage of projects over $1 million that had formal pre-authorization scope meetings increased from 64% in 2007 to 97% in 2008.

Percent of Projects having Scope Meetings

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	93%	100%	100%	97%
FFY 2007	90%	11%*	10%	64%
FFY 2006	88%	42%*	100%	77%
FFY 2005	74%	44%*	100%	64%
FFY 2004	47%	0%	50%	37%

Analysis of results and challenges: Ratios are calculated by dividing the number of projects with formal scoping meetings by the total number of projects receiving authority to proceed.

Bringing all of the department's stakeholders together to discuss all aspects of the project prior to authorization leads to more efficient project development. People view scoping of projects as inconvenient. They may have other high, time sensitive priorities, but it is important to the overall project development efficiency to reach a consensus on the project scope.

A2: Strategy - Reduce construction project costs.

Target #1: Maintain construction engineering (CE) costs at 14.5% or less of total contractor payments.
Status #1: Construction engineering costs increased to 13.6% of total project costs in 2008 from 10.1% in the prior year, still below the goal of 14.5%.

Construction Engineering Expressed as a Percentage of Total Contractor Payments

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2008	12.3%	14.7%	13.4%	13.6%
FFY 2007	11.5%	10.6%	8.2%	10.1%
FFY 2006	11.8%	11.8%	10.9%	11.8%
FFY 2005	13.0%	11.4%	11.1%	12.3%
FFY 2004	10.2%	11.1%	12.1%	10.6%

Analysis of results and challenges: This measure is determined after a construction project is closed and all construction charges are accounted for. Contract administration costs over the past several years have run at about 14.5%; however, the state's growing capital program is straining department resources and forcing the department to outsource more of its construction engineering (CE) work to other agencies as well as the private sector. Outsourced CE tends to be more expensive, so maintaining this target will be a challenge.

This measure is also a challenge because of the remoteness of most of the projects (increasing travel and transportation costs), and because the requirements of the federal funding agencies and the expectations of the traveling public tend to increase over time. All of these factors drive administrative costs up. This measure will change from year to year based on the type and size of projects completed. Small urban projects may require the same level of oversight, i.e., staff, as large rural projects. Projects that consist primarily of asphalt paving are typically completed in a short time resulting in low engineering costs compared to the contract value.

A3: Strategy - Accelerate project closeouts.

Target #1: Close out 80% of construction contracts within the next fiscal year following the project completion date as stated in the Project Completion Letter.
Status #1: The percentage of construction contracts closed during the fiscal year following project completion increased from 60% in 2007 to 67% in 2008, still well below the target of 80%.

Percent of Construction Contracts Closed Before End of Next Fiscal Year

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2008	18%	83%	85%	67%
FFY 2007	35%	73%	70%	60%
FFY 2006	33%	76%	73%	57%
FFY 2005	41%	60%	79%	59%
FFY 2004	28%	52%	81%	45%

Analysis of results and challenges: Percentages are calculated by dividing the number of projects completed as stated in the Project Completion Letter, in a given federal fiscal year by the number of projects receiving Final Acceptance, or the contract closure, by the end of the following federal fiscal year.

The burden of closing out a project largely falls on the same people who must prepare for their next construction assignment or who are already actively engaged in other construction projects. Nevertheless, timely closeout of projects is an important cost-savings benefit to the state as the task itself will be done more efficiently and in some cases its completion will permit leftover construction funds to be released to fund other projects.

Central Region continues to explore avenues to close out the backlog of projects to facilitate meeting this measure. One position was added to the Public Facilities branch to focus on closing out building projects. Consultant contracts for construction administration now include clauses enabling other project closeouts to be added to the contract. A

revised Policy and Procedure (P&P) which reduces final review requirements on certain projects became effective April 2008.

Component: Statewide Public Facilities

Contribution to Department's Mission

Improve the delivery of state services in Alaska and protect the health and safety of Alaska's people by constructing safe, environmentally sound, reliable and cost-effective buildings.

Core Services

- Plans facilities, programs projects, and provides cost estimates and management services necessary to design, construct, renovate, or repair state owned public facilities.
- Project planning requires engineering, environmental and estimating services. Design includes the initial project funding through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. Construction contracts are administered and field inspections and construction oversight is provided.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $3,849,200

Personnel:	
Full time	30
Part time	0
Total	30

Component: Statewide Design and Engineering Services

Contribution to Department's Mission

Provide a wide range of technical services to the department.

Core Services

- The Director's Office provides management and guidance to the division.
- The Bridge Design Section provides design services and consultant oversight for new bridge and/or bridge rehabilitation construction projects and a broad range of services associated with managing the existing inventory of the state's 1,041 public highway bridges.
- The Statewide Materials Section provides technical support to the department's design and construction staff in geology, geotechnical engineering, geologic drilling, foundation design, construction quality control and pavement design.
- The Ports and Harbors Section provides a broad range of services associated with harbor and coastal engineering issues across the state, mainly concerning shore protection issues for the design of highways, airports and harbors; assisting coastal Alaskan communities with harbor and coastal issues; managing the department-owned harbor facilities; and managing the 50/50 matching state Municipal Harbor Facility Grant Program.
- The Design and Construction Standards Section establishes statewide highway and aviation design and construction policy, procedures, and standards and develops relevant technical manuals.
- The Research and Technology Transfer Section manages the department's research program and provides a variety of technology transfer and training opportunities to department staff and to local government and private sector transportation professionals.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $10,208,200

Personnel:	
Full time	73
Part time	2
Total	75

Component: Central Design and Engineering Services

Contribution to Department's Mission

Develop projects that improve Alaska's transportation and public facilities infrastructure. The division also provides a wide range of technical services to the department, other state and federal agencies, local governments and the public.

Core Services

- Take each project from the planning stage to final preparation of plans, specifications and estimates for construction advertising. This includes preliminary design, environmental, traffic and safety, materials, right-of-way, utilities, and design.
- Provide technical assistance during construction.
- Assure environmental compliance services during construction and maintenance and operations of facilities.
- Complete traffic speed studies, accident analysis, hydrological studies, materials testing, and surveying.
- Process utility, right-of-way and traffic permits to other state and federal agencies, local governments and the public.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $20,412,000

Personnel:	
Full time	179
Part time	20
Total	199

Component: Northern Design and Engineering Services

Contribution to Department's Mission

Develop, design and advertise projects that improve Alaska's transportation and public facilities infrastructure. The division also provides a wide range of technical services to the department, other state and federal agencies, local governments and the public.

Core Services

- Prepare plans, specifications and estimates for construction advertising for highway, aviation, and facilities projects. This includes coordinating preliminary design, environmental, traffic and safety, materials, right-of-way, utilities, detailed design, and public involvement throughout the project development process.
- Coordinate project scope with Planning. Provide technical assistance to Maintenance and Construction related to projects or existing maintenance issues.
- Assure environmental compliance services during construction and maintenance and operations of facilities.
- Complete traffic speed studies, accident analysis, hydrological studies, materials testing, and surveying.
- Process utility, right-of-way and traffic permits to other state and federal agencies, local governments and the public.
- Manage the state's right-of-way per regulations and statutes.
- Administer Capital Improvement Program (CIP) project bid packages, advertising, and contract award. Help resolve bidding disputes. Administer professional services agreements.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $16,427,000

Personnel:	
Full time	140
Part time	15
Total	155

Component: Southeast Design and Engineering Services

Contribution to Department's Mission

Develop construction projects that improve Southeast Alaska's and the Alaska Marine Highway System's (AMHS) transportation and public facilities infrastructure. This includes the construction of highways, airports, seaplane bases, ferry terminals, harbors, docks and state-owned buildings.

Core Services

- Take each project from the planning stage to final preparation of plans, specifications and estimates for construction advertising. This includes preliminary design, environmental, traffic and safety, materials, right-of-way, utilities, and design.
- Provide technical assistance during construction.
- Assure environmental compliance services during construction and maintenance and operations of facilities.
- Complete traffic speed studies, accident analysis, hydrological studies, materials testing, and surveying.
- Process utility, right-of-way and traffic permits to other state and federal agencies, local governments and the public.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $9,825,300

Personnel:	
Full time	83
Part time	7
Total	90

Component: Central Region Construction and CIP Support

Contribution to Department's Mission

Improve the transportation system in Alaska and protect the health and safety of Alaska's people by constructing safe, environmentally sound, reliable and cost-effective highways, airports, harbors, docks, and buildings.

Core Services

- Director's Office: Division general management.
- Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- Contracts Branch: Reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. The Professional Services Agreement Unit coordinates, solicits, selects, prepares and administers professional services agreements.
- Project Control Branch: Coordinates and programs project funding; administers state and federal grants; provides engineering management support; develops, enhances, and maintains capital project information within the management reporting system; and processes time and equipment charges to projects.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $19,129,600

Personnel:	
Full time	129
Part time	53
Total	182

Component: Northern Region Construction and CIP Support

Contribution to Department's Mission

Provide construction engineering services for public infrastructure.

Core Services

- Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction, provides closeout of projects, and provides information to the Civil Rights Office regarding Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- Project Control Branch: Coordinates and programs project funding; administers state and federal grants; provides engineering management support; prepares and manages the component's operating budget; develops, maintains data within the Oracle management reporting system for capital projects; provides regional network administration and desktop computer support; and processes time and equipment charges to projects.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $15,808,000

Personnel:	
Full time	80
Part time	94
Total	174

Component: Southeast Region Construction

Contribution to Department's Mission

Construct safe, reliable, and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- Contracts Branch: Reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. Coordinates, solicits, selects, prepares and administers professional services agreements.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $7,817,600

Personnel:	
Full time	41
Part time	35
Total	76

RDU/Component: Knik Arm Bridge/Toll Authority

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

The Knik Arm Bridge and Toll Authority (KABATA) will develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough (A.S. 19.75.011).

Core Services

- KABATA is in the process of securing the financing, design, construction, operation, and maintenance of a toll bridge and related facilities across the Knik Arm at Anchorage. KABATA will own the toll bridge and related facilities.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,559,600

Personnel:	
Full time	11
Part time	0
Total	11

RDU/Component: State Equipment Fleet

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Replace, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Core Services

- The State Equipment Fleet (SEF) is responsible for the management, maintenance, and inventory of all state vehicles, equipment, and attachments assigned to state executive branch agencies. Vehicle licensing and titling services are provided to the Legislature, Alaska Court System, University of Alaska, and Alaska Housing Finance Corporation.
- SEF provides maintenance, repair and servicing of state equipment at maintenance and operations shops, remote rural airport stations, and roadside locations throughout Alaska. Preventive maintenance, safety and vehicle emission inspections, parts procurement, and inventory control are provided. Equipment condition is evaluated for the replacement program. New vehicles, equipment, and attachments are received, checked in, made ready for service, and issued to using agencies.
- SEF contracts for vehicle fuel credit card systems for use by state agencies.
- SEF headquarters also develops specifications and purchases new equipment and vehicles for all executive branch agencies, and provides administrative support including, but not limited to: policies and procedures, rate setting, computer systems, and training.
- SEF evaluates excess equipment and sells it at auction, negotiates sales to cities and boroughs, or assigns it to an appropriate alternative use.

End Result	Strategies to Achieve End Result
A: Improve customer satisfaction with fleet services. Target #1: Increase customer satisfaction with departmental fleet services by 5% from prior year. Status #1: The customer satisfaction rate remained strong at 4.7 out of 5 for 2006 through 2008.	**A1: Improve the quality of fleet services.** Target #1: Increase all wet vehicle uptime by 2%. Status #1: Although the uptime of all wet vehicles decreased between 2007 and 2008 by .1%, it still remained high at 97.4%. Target #2: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 21 days. Status #2: In 2008 the processing of fleet capital purchases increased by an average of 3 days which is a 33.3 % increase, but still a vast improvement over the prior 5 years.
End Result	**Strategies to Achieve End Result**
B: Reduce the annual lifecycle cost of the fleet. Target #1: Reduce the annual lifecycle cost of the fleet by 5%. Status #1: In 2008 the annual lifecycle fleet cost increased by 14% as compared to the prior year.	**B1: Provide efficiencies to reduce fleet costs.** Target #1: Increase preventive maintenance compliance by 5%. Status #1: The percent of preventive maintenance compliance increased by 1% in 2008, but is still below the target of 95%.

	Target #2: Increase scheduled maintenance to 50% of total maintenance cost. Status #2: The percent of scheduled maintenance compared to total maintenance increased by 2% over the prior year, but is still below the target of 50%. **B2: Carry out safe operations.** Target #1: 10% increase in employees successfully completing required safety training during the fiscal year. Status #1: The percent of SEF employees completing required safety training decreased during FY08 by 33% over the prior year, representing a total of 53% completing the training.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $26,395,600

Personnel:	
Full time	164
Part time	2
Total	166

Performance

A: Result - Improve customer satisfaction with fleet services.

Target #1: Increase customer satisfaction with departmental fleet services by 5% from prior year.
Status #1: The customer satisfaction rate remained strong at 4.7 out of 5 for 2006 through 2008.

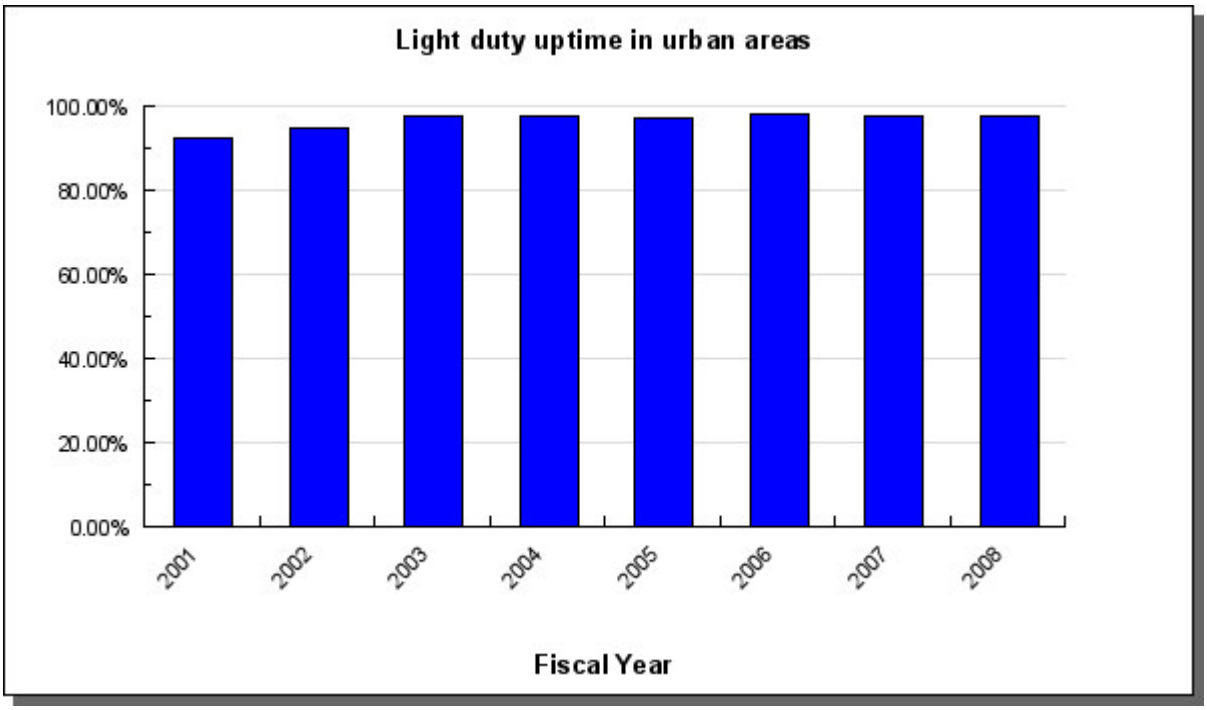
SEF customer satisfaction rates

Fiscal Year	Average Score	% Change
FY 2008	4.7	0%
FY 2007	4.7	0%
FY 2006	4.7	-2%
FY 2005	4.8	+7%
FY 2004	4.5	

Analysis of results and challenges: The evaluation of customer satisfaction provides user agencies a method of direct communication regarding their concerns and issues while also working to educate the customer base about the fleet operation. This communication provides management with a list of positive and negative issues regarding the actual service level or customer satisfaction. Through an ongoing web based survey system, the department seeks feedback on the staff's courtesy, maintenance quality, timeliness, and relaying of information on services provided and general advice. Despite SEF's efforts to increase response by placing the forms on the website; distribute to customers when vehicles are picked up from the shops and during the procurement process for replacing assets, feedback has ranged from sporadic to none. SEF is brainstorming new ways to solicit information through departmental fleet contacts, a new comment section on the web site, and small surveys by the department.

A1: Strategy - Improve the quality of fleet services.

Target #1: Increase all wet vehicle uptime by 2%.
Status #1: Although the uptime of all wet vehicles decreased between 2007 and 2008 by .1%, it still remained high at 97.4%.



Light duty uptime in urban areas

Fiscal Year	YTD Total	% Change
FY 2008	97.40%	-0.1%
FY 2007	97.5%	-0.7%
FY 2006	98.2%	+0.9%
FY 2005	97.3%	-0.5%
FY 2004	97.8%	+0.4%
FY 2003	97.4%	+2.9%
FY 2002	94.7%	+2.7%
FY 2001	92.2%	

Analysis of results and challenges: SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can't perform its function when it is down for any reason. Fleets must manage this parameter. Downtime of a vehicle can be affected by staffing levels, parts availability, and adequate staff training. Since vehicles are taken offline in order to perform scheduled preventive maintenance, 100% uptime is unattainable. In FY07, SEF had several personnel either retire from state service or transfer to other divisions. This trend continued through FY08 and has left some maintenance shops with a reduced staff, which increased the turnaround time on light duty vehicles. SEF expects to see an increase in uptime in FY09 back to FY06 levels.

Target #2: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 21 days.
Status #2: In 2008 the processing of fleet capital purchases increased by an average of 3 days which is a 33.3 % increase, but still a vast improvement over the prior 5 years.

Days taken to process vehicle purchase orders

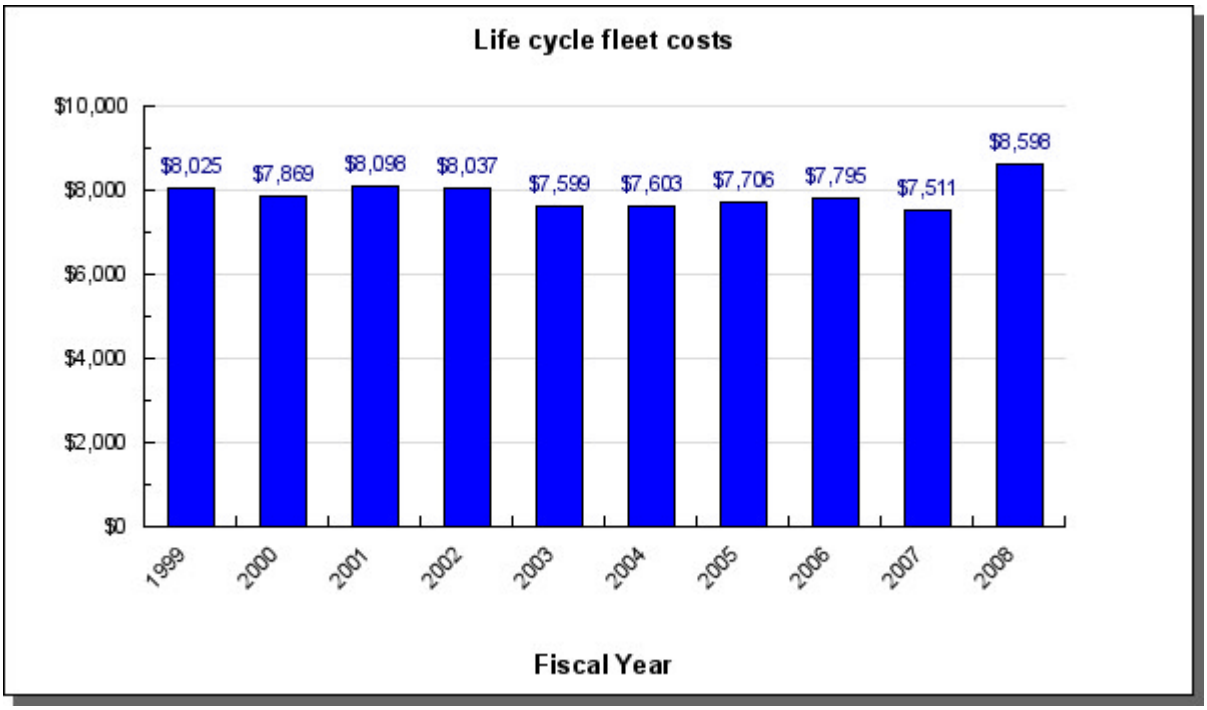
Fiscal Year	Average # of Days
FY 2008	12 +33.33%
FY 2007	9 -70%
FY 2006	30 +66.67%
FY 2005	18 -77.5%
FY 2004	80 -3.61%
FY 2003	83 +9.21%
FY 2002	76

Analysis of results and challenges: SEF is the sole procurement authority for vehicles for executive branch agencies. Responsiveness to the purchasing needs of its customers can be measured by the amount of time it takes to change purchase requisitions into purchase orders.

The department has continued to reduce the processing time for these purchases. Initiatives include contracts for repeat purchases, increased communication with user departments and training staff on specification writing for individual procurements. The procurement group continues to improve the response time with the initiative improvements. In FY08, SEF had an increase in the purchasing order process by 3 days, a 33.3% change. Even with multiple year contracts in place that reduce the number of processing days, State Equipment Fleet has experienced delays in customers responding to inquiries regarding vehicle options, attachments, shipping details, and funding sources. Also, SEF has had an increase in the number of specialized vehicle requests and since SEF has only one bid specification writer this slows down the purchasing process.

B: Result - Reduce the annual lifecycle cost of the fleet.

Target #1: Reduce the annual lifecycle cost of the fleet by 5%.
Status #1: In 2008 the annual lifecycle fleet cost increased by 14% as compared to the prior year.



Methodology: Target is 5% reduction in cost. Target for FY2008 $7,499.
Data in table represents the annual life cycle cost of an average fleet asset.

Life cycle fleet costs

Fiscal Year	% change	YTD Total
FY 2008	+14%	$8,598
FY 2007	-4%	$7,511
FY 2006	+1%	$7,795
FY 2005	+1%	$7,706
FY 2004	+0%	$7,603
FY 2003	-5%	$7,599
FY 2002	-1%	$8,037
FY 2001	+3%	$8,098
FY 2000	-2%	$7,869
FY 1999		$8,025

Analysis of results and challenges: Whether they are managing a private or government fleet, all managers have a common interest in the cost of operating the equipment in their control. Management has the responsibility to ensure vehicle costs are reviewed, goals are established, and comparisons are made with prior years.

Components to life cycle cost trends include: general inflation, labor contract provisions, rate methodologies, organization, depreciation, SEF labor, repair parts, and fuel prices. In FY08, the life cycle fleet annual cost per unit reached $8,598 or an increase of 14% from FY07. This increase was due to salary increases and fuel prices, which affected the cost of shipping (freight, delivery services, and postage), fuel purchases, parts, and travel.

B1: Strategy - Provide efficiencies to reduce fleet costs.

Target #1: Increase preventive maintenance compliance by 5%.
Status #1: The percent of preventive maintenance compliance increased by 1% in 2008, but is still below the target of 95%.

Preventative maintenance compliance

Fiscal Year	YTD Total	% change	Target
FY 2008	91%	1.11%	95%
FY 2007	90%	-1.0%	95%
FY 2006	91%	3.4%	95%
FY 2005	88%	-1.1%	95%
FY 2004	89%	1.1%	90%
FY 2003	88%	2.2%	85%
FY 2002	90%		80%

Analysis of results and challenges: State Equipment Fleet continues to track preventive maintenance activities. As of early August 2008, the Districts are experiencing 86.24 to 93.68 percent compliance with preventive maintenance schedules.

Preventative maintenance is a critical aspect of efficient fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of maintaining fleet safety, maintaining maintenance and operation integrity, and controlling maintenance costs. The main components of a preventive maintenance service program are regularly pre-determined inspections including lubrication and service. Adherence to these schedules will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

Barriers to reaching or surpassing this measure include the failure of the user agency to bring the vehicle in for preventive maintenance when requested by State Equipment Fleet and the inability of the user agency to bring the vehicle in if it is being used during the state's limited construction season. The latter can be alleviated by scheduling non-critical preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use. SEF continues to post the preventive maintenance schedule on the web site and is working with user agencies on compliance. In FY08 staffing challenges, decreased travel due to budgetary concerns, and access to rural airports due to bad weather conditions directly affected the ability to meet the 95% goal. However, there has been an improvement in the preventive maintenance rate, which will continue in FY09.

Target #2: Increase scheduled maintenance to 50% of total maintenance cost.
Status #2: The percent of scheduled maintenance compared to total maintenance increased by 2% over the prior year, but is still below the target of 50%.

Percent of maintenance that is scheduled

Fiscal Year	YTD Total
FY 2008	46.0%
FY 2007	44.0%
FY 2006	45.5%
FY 2005	43.7%
FY 2004	40.6%
FY 2003	38.1%
FY 2002	39.1%

Methodology: Target is 50%.

Analysis of results and challenges: The amount of scheduled maintenance is an indicator of the amount of control that management has over the inspection and repair of the fleet. This is mostly a preventative maintenance compliance and quality issue. Both can be improved through SEF management attention. Education of users is

being implemented to improve preventative maintenance compliance. In general, management and supervision should be scheduling 50 percent or more of the workload. Initiatives put in place to increase the preventive maintenance compliance will have a direct effect on this target as well.

The Equipment Management System and work orders have been modified to track all scheduled maintenance activities. This will allow for improved tracking of non-scheduled vs. scheduled maintenance. The challenges in meeting the department's target include staffing levels, especially in areas where SEF supports rural airports.

B2: Strategy - Carry out safe operations.

Target #1: 10% increase in employees successfully completing required safety training during the fiscal year.
Status #1: The percent of SEF employees completing required safety training decreased during FY08 by 33% over the prior year, representing a total of 53% completing the training.

Percent of employees completing training

Fiscal Year	YTD Total
FY 2008	53%
FY 2007	86%
FY 2006	85%
FY 2005	75%
FY 2004	10.9%
FY 2003	11.5%

Analysis of results and challenges: The department has a safety program focused on reducing accidents and workers compensation claims. The department's safety manual includes the required safety training elements.

It has taken time and resources to identify and document the safety training information for all department staff. The FY03 and FY04 data relates only to employees' participation in department safety meetings. SEF established a training database in late FY06 to better track all training employees receive throughout the year. In FY08, 53% of SEF Labor, Trades and Crafts employees took at least one safety training class. The reasons for the decrease include: many employees have taken most or all of the courses on the safety training list and therefore did not need additional training this year; turnover in mechanics has hampered sending employees to safety training as employees are concentrating on daily basic job duties; the cost of travel has deterred some training opportunities; and the challenges in obtaining attendance information for employees that participate in monthly safety training meetings throughout the state.

Statewide Facility Maintenance and Operations Results Delivery Unit

Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

- Provide preventative maintenance, routine maintenance, repair work, and minor construction for 708 state facilities totaling over 2,647,733 square feet.
- Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.
- Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.
- Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

End Result	Strategies to Achieve End Result
A: Maintain state-owned facilities to appropriate department standards. Target #1: Increase customer satisfaction with department facilities to 80%. Status #1: The percent of Facilities' satisfied customers decreased from 88% in FY07 to 83% in FY08.	**A1: Improve the quality of facilities.** Target #1: Complete 90% of all work requests on time. Status #1: In 2008 the Facilities staff completed 83.6% of work requests in a timely manner, which was a decrease from the completion rate in 2007 of 90%. **A2: Reduce facility operating costs with new technologies and system upgrades.** Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades. Status #1: In 2008 the percentage of expenditures specifically for energy saving upgrades increased to 5.7% from the 2% experienced in 2007. Target #2: Increase preventative maintenance on-time completion to 90%. Status #2: Timely preventative maintenance decreased from 95% in 2007 to 87.5% in 2008. **A3: Carry out safe operations.** Target #1: 10% increase in employees successfully completing required safety training. Status #1: In 2008 87% of all Facilities staff completed their required safety training.

Major Activities to Advance Strategies

- Expand use of Facility Maintenance Management System

Major Activities to Advance Strategies

- Continue to install energy savings devices
- Conduct safety training and audits - work with Department of Labor and Workforce Development

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $19,981,100

Personnel:	
Full time	76
Part time	5
Total	81

Performance

A: Result - Maintain state-owned facilities to appropriate department standards.

Target #1: Increase customer satisfaction with department facilities to 80%.
Status #1: The percent of Facilities' satisfied customers decreased from 88% in FY07 to 83% in FY08.

Customer Satisfaction

Fiscal Year	YTD Total
FY 2008	83%
FY 2007	88%
FY 2006	83%
FY 2005	85%

Methodology: Results are reported on a fiscal year basis.

Analysis of results and challenges: The Department of Transportation and Public Facilities (DOT&PF) managed facilities are used not only by department personnel but also by many other state departments. An annual survey is conducted of state facility occupants. The positive result from this survey indicates that the occupants of state facilities managed by DOT&PF are satisfied with the services provided by the department. Crews have been working diligently on deferred maintenance projects and emergency work requests repairing damage from vandalism, floods, and lightning strikes. Other state departments are providing funding for some capital projects that upgrade some of these facilities. The occupants' responses may be reflective of improvements provided in FY07 and FY08

It is clearly evident that customer satisfaction is linked to the service attitude of facilities staff and the development of user agreements that identify the expected level of service. The department receives numerous compliments from user agencies after work is completed. Our goal is to continue to achieve satisfactory ratings from other agencies and provide useful work environments for state agencies.

The statistics reflect only Central and Northern Region facility management. Southeast Region will begin customer satisfaction surveys as part of their implementation of the department’s facilities maintenance management system.

A1: Strategy - Improve the quality of facilities.

Target #1: Complete 90% of all work requests on time.
Status #1: In 2008 the Facilities staff completed 83.6% of work requests in a timely manner, which was a decrease from the completion rate in 2007 of 90%.

Percentage of work order requests completed timely

Fiscal Year	YTD Total
FY 2008	83.6%
FY 2007	90%
FY 2006	69%
FY 2005	85%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: Reallocation of staff to work on emergency issues resulted in delays on existing work orders. In addition, the large personnel turnover led to reductions. Our preventative maintenance continued to be the focus of a major effort in FY08 and we've seen significant improvements in on-time completion of preventative maintenance items which contribute to building system reliability. Work completion rates were also reviewed, discussed with our customers and lengthened to be more realistic. Tracking work order completion rates is a useful tool for managers to determine how long it takes to complete the work requested. On-time completion means within 24 hours of notification for emergency or urgent type work orders. For routine work orders, discussions with the requestor results in an expected completion date. That date is entered into the maintenance database as the scheduled completion date. Anything that is completed prior to or by the expected completion date is considered "on time". Preventative maintenance tasks are prescheduled work orders and are set up by frequency, i.e., monthly, quarterly, annually, etc.

A2: Strategy - Reduce facility operating costs with new technologies and system upgrades.

Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.
Status #1: In 2008 the percentage of expenditures specifically for energy saving upgrades increased to 5.7% from the 2% experienced in 2007.

Expenditures for Energy Saving Upgrades

Fiscal Year	YTD Total
FY 2008	5.7%
FY 2007	2.0%
FY 2006	4.2%
FY 2005	2.9%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and Heating, Ventilation and Air Conditioning (HVAC) control, and high efficiency window and door systems all contribute to reducing energy consumption.

Target #2: Increase preventative maintenance on-time completion to 90%.
Status #2: Timely preventative maintenance decreased from 95% in 2007 to 87.5% in 2008.

Percent of preventative maintenance completed timely

Fiscal Year	YTD Total
FY 2008	87.5%
FY 2007	95%
FY 2006	84%
FY 2005	95%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: The Facilities Maintenance Management System is automatically generating preventative maintenance (PM) schedules. PMs are prescheduled work orders and are set up by frequency, i.e., monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring PMs based on the manufacturers recommendations. This is proving to be a valuable tool as crews are receiving reminders and schedules for PM work. Timely PM's will result in reduced breakdowns, crew call outs and replacement costs.

A3: Strategy - Carry out safe operations.

Target #1: 10% increase in employees successfully completing required safety training.
Status #1: In 2008 87% of all Facilities staff completed their required safety training.

Percent of employees completing required safety training

Fiscal Year	YTD Total
FY 2008	87%
FY 2007	100%
FY 2006	100%
FY 2005	100%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: Both the crews and the management of Facilities Maintenance realize the importance of a safe work environment and undertook the initiative to promote safety seriously. This measures mandatory first aid, cardiopulmonary resuscitation (CPR) and safety meeting attendance.

Component: Central Region Facilities

Contribution to Department's Mission

Provide cost effective, environmentally sound and reliable public facilities.

Core Services

- Provide facilities preventative maintenance, routine maintenance, repair work, and minor construction for 264 state facilities totaling over 1,110,206 square feet.
- Operate facilities by coordinating utility services such as electricity, water, sewer, oil and gas heating.
- Perform or contract facility related services such as janitorial, lawn maintenance, window washing, snow removal, refuse collection, elevator and overhead crane service.
- Procure services through construction contracts for major maintenance, code upgrade requirements, user agency facility modifications, and major repair items.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $7,218,300

Personnel:	
Full time	26
Part time	1
Total	27

Component: Northern Region Facilities

Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

- Provide building utilities, including electricity, sewer and water, waste disposal, heating, air conditioning and ventilation for state-owned facilities.
- Provide or procure contracts for services including janitorial, snow removal, building security, waste removal and elevator maintenance.
- Provide routine scheduled and preventative maintenance and minor repair work. Routine maintenance includes servicing of heating, ventilation and air conditioning systems, lighting and electrical systems, plumbing systems, and all other mechanical systems.
- Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.
- Perform or procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.
- Continuous evaluation of buildings for improvements to benefit the state.
- Manage state-owned housing, rental agreements, and leases.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $11,430,200

Personnel:	
Full time	47
Part time	4
Total	51

Component: Southeast Region Facilities

Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

- Furnish basic services and utilities, such as electrical power, water and sewerage, trash disposal, janitorial, grounds maintenance, snow removal and operation of building systems in support of tenant agency programs.
- Provide preventive and routine maintenance (using in-house and contractual resources) of all building components and systems, including electrical, plumbing, heating, ventilating and air conditioning systems, fire protection and suppression systems, doors, windows, roofs, elevators, and interior and exterior finishes.
- Using both in-house and consultant resources, design, bid and administer construction of tenant build-outs, and major maintenance and upgrades of systems in facilities operated and maintained by both the Department of Transportation and Public Facilities (DOT&PF) and other state or local agencies.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,332,600

Personnel:	
Full time	3
Part time	0
Total	3

RDU/Component: Traffic Signal Management

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Maintain and operate the state traffic control devices in the Anchorage and Eagle River area through a contractual agreement with the Municipality of Anchorage.

Core Services

- By contracting with the Municipality of Anchorage, state traffic signals are operated in conjunction with city signals. This is more efficient and eliminates duplication of personnel, equipment, and materials. It also allows for a unified progressed signal system. The Department of Transportation and Public Facilities has traffic signals and illumination systems within the Municipality of Anchorage. The Municipality of Anchorage maintains and operates all of these systems.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,633,800

Personnel:	
Full time	0
Part time	0
Total	0

Highways and Aviation Results Delivery Unit

Contribution to Department's Mission

Operate, maintain, safeguard, and control the state's infrastructure system of highways, airports and harbors.

Core Services

- Winter snow and ice control, including snow plowing, snow removal, sanding, anti-icing, avalanche control, snow fencing and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, pavement marking, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems maintenance, including traffic signals, intersection and road illumination, harbor electrical service and lighting, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Access control to state rights of way for driveways, access roads, signs and utilities.
- Security at state airports in compliance with the Homeland Security and the Transportation Security Administration (TSA).
- Operation of certificated airports in compliance with 14 CFR Part 139.
- Maintenance of federally mandated security at state airports, including access controls, criminal history checks and badging, security fencing, communications, and law enforcement.
- Emergency response to impacts on State highways and airports from natural disasters.
- Active avalanche prevention program.

End Result	Strategies to Achieve End Result
A: Maintain state-owned roads, highways and airports to appropriate department standards. Target #1: Improve customer satisfaction by 3% with highways and aviation services. Status #1: In 2008 there was a slight increase to 74.7% in satisfaction with the conditions of Alaska's roads and highways and a decrease to 80.1% in satisfaction with the condition of the rural airports (excludes Anchorage and Fairbanks).	**A1: Keep urban highways passable at all times.** Target #1: Clean up snow and ice from urban highways within 18 hours after the end of a snow storm. Status #1: The number of hours taken to remove snow and ice from urban highways after a storm decreased in 2008 to 18.2 from the 32.0 hours it took in 2007. **A2: Ensure regulatory compliance at rural Part 139 airports.** Target #1: No major violations during annual Part 139 inspections. Status #1: During 2008 the department operated the rural certificated airports without any violations identified during annual Part 139 inspections by the Federal Aviation Administration. **A3: Carry out safe operations.** Target #1: 10% increase in employees successfully completing required safety training. Status #1: The percent of employees completing required safety training increased in 2007 by 17% over the percent completed in 2006.

Major Activities to Advance Strategies

- Use maintenance management system to monitor efficient and effective use of state resources
- Increase scheduled preventative maintenance
- Implement technologies and use of anti-icing chemicals for effective anti-icing program
- Provide safety training and compliance monitoring
- Develop policies and procedures for accident/incident review, tracking and prevention
- Provide equipment operator training and certification
- Deploy land mobile radios and receivers
- Employ the use of trackless snow removal equipment to keep sidewalks clear for pedestrians

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $122,462,300

Personnel:	
Full time	520
Part time	88
Total	608

Performance

A: Result - Maintain state-owned roads, highways and airports to appropriate department standards.

Target #1: Improve customer satisfaction by 3% with highways and aviation services.
Status #1: In 2008 there was a slight increase to 74.7% in satisfaction with the conditions of Alaska's roads and highways and a decrease to 80.1% in satisfaction with the condition of the rural airports (excludes Anchorage and Fairbanks).

Satisfaction

Year	Roads & Highways	Rural Airports
2008	74.7%	80.1%
2005	73.1%	84.5%

Analysis of results and challenges: The department contracted for a survey to be conducted in January 2008. Customer satisfaction with the operation and maintenance of our highways and rural airport system increased significantly between 1998 and 2005. This may have a direct correlation with the size of the maintenance budgets. In 1998, the burgeoning state fiscal problems manifested into flat line budgets that limited our ability to address maintenance problems on the roads and airports. Starting in 2003, the maintenance program began receiving additional funding in both operating and capital programs. These increased funds allowed the department to address some of the long-standing issues that the public had complained about for several years. Those areas identified by the survey that require additional efforts by the department include rut-free road surface, longer lasting pavement materials, smooth pavement, congestion relief and prompt road maintenance.

A1: Strategy - Keep urban highways passable at all times.

Target #1: Clean up snow and ice from urban highways within 18 hours after the end of a snow storm.
Status #1: The number of hours taken to remove snow and ice from urban highways after a storm decreased in 2008 to 18.2 from the 32.0 hours it took in 2007.

Average number of hours to clean urban roads

Fiscal Year	YTD Total
FY 2008	18.2
FY 2007	32.0
FY 2006	14.7
FY 2005	15.5

Analysis of results and challenges: Urban highways receive priority snow and ice control service due to the large volume of traffic on these routes. Managers must ensure that maintenance personnel and equipment are mobilized to clear these routes and have them cleaned up within 18 hours after a winter storm subsides. A completed winter road provides safe driving conditions and will be either a bare road or a plowed road with an adequate amount of sand applied for traction. Intersections and turn lanes will be cleared of snow in the driving lanes.

This result is an average clean up time for the four large urban centers of the state - Anchorage, Fairbanks, Palmer/Wasilla and Juneau. Individual area clean up times ranged from 6 hours in Juneau to 39 hours in Fairbanks. The winter of 2007/2008 was not as challenging for snow removal activities as the prior year in which portions of the state received record snowfall. In other areas, the storms were not discreet events but continued in duration for days at a time. With nearly continuous precipitation, the crews are in constant effort to move snow off the roads and then haul it away. Variables including severity of the snow storms and the amount of secondary roads that must also be plowed all factor into how long it takes to clean up the roadsides and intersections. For instance, Fairbanks crews do a complete circuit of their Priority One roads first before spreading out to their Priority Two and Three roads. Only after all roads have at least been plowed through will the crews return to do the clean up. Maintenance managers are challenged to apply enough resources at the right time to deal with the storm without overstressing the capabilities of the operators or over-expending funds. They must address additional needs on non-urban roads, keep crews working safely, and be ready to respond to future storms.

A2: Strategy - Ensure regulatory compliance at rural Part 139 airports.

Target #1: No major violations during annual Part 139 inspections.
Status #1: During 2008 the department operated the rural certificated airports without any violations identified during annual Part 139 inspections by the Federal Aviation Administration.

Number of major airport violations

Year	YTD Total
2007	0
2006	0
2005	0
2004	0

Analysis of results and challenges: State of Alaska rural airports that provide Part 139 service (air carriers with aircraft of over 30 seats) must meet rigid Federal Aviation Administration (FAA) standards to maintain their certificates. FAA inspects each airport annually. Failures to meet FAA standards for airport operations, called "violations", can result in fines or suspension of the airport's certificate. The department's goal is to maintain the airports at a level of compliance that will ensure no violations occur.

We continue to be successful in meeting this goal. Maintaining this level of service requires diligence and skillful management of airport maintenance assets and extensive training of airport maintenance crews. Costs of airport maintenance continue to rise as FAA regulatory requirements become more stringent.

A3: Strategy - Carry out safe operations.

Target #1: 10% increase in employees successfully completing required safety training.
Status #1: The percent of employees completing required safety training increased in 2007 by 17% over the percent completed in 2006.

Analysis of results and challenges: We continue to see lower costs to the department as a result of these increased training events. Highway and airport maintenance duties are inherently dangerous. Federal and State Occupational Safety and Health Administration (OSHA) training requirements were established to help ensure that maintenance workers stay safe. Meeting those requirements is challenging for managers who have limited time and resources. Adding to the difficulty is providing these requirements to a workforce spread out across the state in 84 different locations while continuing to meet regular workload obligations. Department management is incrementally increasing the training of maintenance workers while still providing a full level of service on our highways and airports. Through additional safety and equipment operations training, we are reducing work related injuries and workers compensation claims.

Component: Central Region Highways and Aviation

Contribution to Department's Mission

Operate, maintain, protect, and control the state's highway, airport, and harbor systems.

Core Services

- Maintain and operate 4,962 lane-miles of roads, 889 lane-miles of runways at 100 airports, and 262 bridges.
- Provide snow plowing, sanding, de-icing, avalanche control, and culvert thawing necessary to keep designated state roads and airports open to safe winter travel.
- Provide grading, asphalt surface repair, pothole patching, crack-sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Operate and maintain road and airport lighting systems such as traffic lights, intersection and road illumination, and runway and taxiway lights.
- Maintain federally mandated security at state airports, including gates and fencing, security agreements and crash fire and rescue service. This is in conjunction with the Federal Aviation Administration (FAA), Homeland Security and the Transportation Security Administration (TSA).
- Control encroachments onto state rights-of-way and review driveway permits issued by Right-of-Way.
- Maintain harbor facilities not maintained by local communities, including breakwaters, floats, and electrical systems.
- Provide statewide winter road and weather reporting on the Internet, the statewide recorded messaging system, and provide faxes to state troopers, trucking firms, and others regarding road conditions.
- Operate the Adopt-a-Highway system.
- Provide an active avalanche prevention program.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $43,837,200

Personnel:	
Full time	200
Part time	8
Total	208

Component: Northern Region Highways and Aviation

Contribution to Department's Mission

Provide an efficient transportation system for the safe movement of people and goods and the delivery of state services.

Core Services

- Control winter snow and ice: snow plowing, snow removal, sanding, de-icing, avalanche and drifting control, ice paving, snow fencing, and culvert thawing. Provide an active avalanche prevention and response program. Provide regional winter road and weather reporting on the Internet via the Alaskan "511/CARS" (road condition reporting) system, and through faxes to state troopers, trucking firms, and others.
- Perform summer road and airport maintenance including: grading, pothole patching, crack sealing, leveling of pavement heaves and dips, brush clearing, street sweeping, dust control, drainage cleaning and repair, erosion control, bike path maintenance, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Maintain road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, runway and taxiway lights, beacons, and wind cones.
- Provide emergency response to both man-made and natural disasters in order to keep our transportation infrastructure intact.
- Control roadside litter and perform trash removal at rest areas, turnouts and campgrounds.
- Control encroachments on driveways, access roads, signs, utilities, and other state rights-of-way.
- Safely maintain and operate 104 state-owned certificated and non-certificated airports in compliance with state and federal regulations. This includes maintaining security at state airports through access controls, criminal history checks and badging of those with access to restricted areas, security fencing, communications and law enforcement. Provide Airport Rescue and Firefighting services at six certificated airports.
- Operate the Adopt-a-Highway system.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $60,159,700

Personnel:	
Full time	256
Part time	73
Total	329

Component: Southeast Region Highways and Aviation

Contribution to Department's Mission

Operate, maintain, protect and control the state's highway, harbor and airport systems.

Core Services

- Winter snow and ice control including: snow plowing, snow removal, sanding, de-icing, avalanche prevention and control, snow fencing and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems including: maintenance of traffic signals, intersection and road illumination, harbor electrical service and lighting, and runway and taxiway lights.
- Airport security including: access control, badging, lock and key control, and fencing.
- Airport compliance, including inspection and assurance that state airports are operated in accordance with Federal Aviation Administration (FAA) operating regulations.
- Access control to state rights of way for driveways, access roads, signs and utilities.
- Maintenance of harbor facilities not maintained by local communities, including breakwaters, floats, and electrical systems.
- Update winter road conditions and weather reporting on the Internet and the statewide recorded messaging system.
- Operate the Adopt-a-Highway system.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $14,095,200

Personnel:	
Full time	63
Part time	7
Total	70

Component: Whittier Access and Tunnel

Contribution to Department's Mission

To maintain and operate the Whittier Tunnel in a manner that allows for the safe and efficient transportation of passengers and freight between Anchorage and Whittier.

Core Services

- Operate the tunnel through a contractor on an 18-hour per day summer schedule and a 9.5 hour per day winter schedule. The winter schedule for 2008-2009 has been increased to 16 hours per day.
- Collect tunnel tolls and account for all revenues that support tunnel operations.
- Maintain staging areas and access roads to and from tunnel during winter snow events.
- Coordinate with the Alaska Railroad Corporation regarding scheduling and use of the tunnel.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $4,370,200

Personnel:	
Full time	1
Part time	0
Total	1

Ted Stevens Anchorage International Airport Results Delivery Unit

Contribution to Department's Mission

The mission of the Ted Stevens Anchorage International Airport (ANC) is to safely, effectively, and efficiently operate and maintain the airport consistent with federal regulatory requirements, high customer service standards, sensitivity to user needs, and awareness of community goals.

Core Services

- Airport police and fire protection.
- Airfield and equipment maintenance.
- Land and airside operational monitoring, health and safety, security and control operations.
- Facilities maintenance.
- Airport administration, marketing, development, environmental, leasing, information systems, engineering, planning, noise program, and public relations.

End Result	Strategies to Achieve End Result
A: Safe operations on the airports. Target #1: Reduce the rate of public injuries and incidents per enplaned passenger. Status #1: The rate of public injuries and incidents decreased from 1.7 in FY2007 to 1.2% in FY2008. Target #2: Reduce the number of occupational injuries and illnesses to less than the national average. Status #2: The incidence rate of occupational injuries and illnesses decreased from 6.7% in 2006 to 5.1% in 2007, but remained below the national average of 6.7%. Target #3: Reduce employee lost time to zero. Status #3: In 2007 the number of days of employee lost time due to work-related injuries decreased to 106 from 261 in 2006. Target #4: Reduce property damage to zero. Status #4: The amount of property damages increased to $71,100 in FY2008, an increase of 62.4% over the prior year.	**A1: Maximize the safety and security of the traveling public.** Target #1: 100% compliance with American with Disabilities (ADA) requirements. Status #1: For the 4th year in a row the airport met all ADA compliance requirements. Target #2: Maintain roads and sidewalks so they are accident/incident free. Status #2: The number of accidents/incidents on airport maintained roads and sidewalks decreased from 9 in FY2007 to 7 in FY2008. Target #3: Reduce complaints regarding signage. Status #3: The number of complaints regarding signage decreased from 10 in FY2007 to 8 in FY2008. Target #4: Maintain adequate runway conditions to avoid airport closure. Status #4: For the 3rd year in a row the Anchorage Airport had no closures due to acts of nature. Target #5: Provide adequate law enforcement officer/medical emergency response within federal requirements. Status #5: For the 4th year in a row the airport law enforcement officer/medical emergency response time averaged less than 2 minutes per incident, which is well within the goal of 10 minutes. **A2: Improve compliance with applicable safety codes.**

	Target #1: Receive zero violations related to state and federal safety codes. Status #1: The airport received 0 safety related Notice of Violation in FY2008 which was a decrease of 1 over FY2007.
End Result	**Strategies to Achieve End Result**
B: Customer satisfaction. Target #1: Reduce the number of negative comment cards from any airport customer or tenant regarding the airport facilities, operations and/or environment. Status #1: The number of negative comment cards decreased from 57 in FY2007 to 48 in FY2008. Target #2: 90% of concessionaires and airlines participating in an airport-wide program to enhance customer satisfaction. Status #2: In FY2007 there was 53% of all concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction, the percentage increased to 66% in FY2008. Target #3: Resolve at least 90% of all problem work order requests. Status #3: In FY2008, 98.2% of all problem work orders were resolved.	**B1: Improve maintenance activities so facilities are clean, well kept and stocked.** Target #1: Respond to all requests within 3 business days. Status #1: For the 5th year in a row the airport staff responded to maintenance requests within an average of 1 day, which is well within the 3-day goal. **B2: Minimize negative airport impact.** Target #1: Minimize noise impact on surrounding communities through the use of preferential runways for at least 75% of the night operations at the airport. Status #1: The airport used preferential runways at least 75% of the time in FY2008 to minimize noise impact on the surrounding communities during night operations.
End Result	**Strategies to Achieve End Result**
C: Optimize revenue. Target #1: Increase concession revenue by 1% per year. Status #1: In FY2008 the Anchorage Airport increased concessionaire revenues by 3.1%. Target #2: Keep constant or decrease personnel costs per 1,000 pounds of take-off weight. Status #2: Personnel costs per 1,000 pounds of take-off weight increased from $815 in FY2007 to $921 in FY2008.	**C1: Opportunities for multiple revenue sources.** Target #1: Secure major development (>$10 million in total anticipated capital investment) every 10 years. Status #1: Since 2004 there have been enough building permits issued that would indicate the airport will meet this target well before 2014.
End Result	**Strategies to Achieve End Result**
D: Regulatory compliance at all levels. Target #1: Pass annual FAA (Federal Aviation Administration) Airport Certification Part 139 inspections. Status #1: The Anchorage International Airport (ANC) passed the FAA Airport Certification Part 139 inspections for the past five years.	**D1: Improve environmental conditions at the airport.** Target #1: Zero environmental Notices of Violation (NOVs). Status #1: For the sixth year in a row the Anchorage Airport had no NOVs for environmental issues.
End Result	**Strategies to Achieve End Result**
E: Economic development.	**E1: Improve marketing efforts for private sector**

Target #1: 2% increase in private investment at the airports per year. Status #1: Private investment increased by 16% in FY2008 over FY2007. Target #2: Increase international cargo aircraft landed weight by 1% per year. Status #2: In FY2008 international cargo aircraft landed weight decreased by 6.31% over the prior year.	**development.** Target #1: Increase private sector contracts by 2% per year. Status #1: The number of private sector contracts increased in FY2008 by 7.6% to a total of 384 contracts.

Major Activities to Advance Strategies

- Provide police and fire protection
- Comply with Federal Aviation Administration (FAA) safety directives including snow/ice removal
- Maintain airfield lighting and signage
- Maintain clear and safe access around the terminal
- Aggressively promote ANC in national and international passenger and cargo carrier markets
- Maintain airfield equipment
- Develop plans for future airport development
- Keep the terminal facilities clean and appealing through excellent janitorial services
- Monitor the land and airside operations

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $56,080,800

Personnel:	
Full time	372
Part time	25
Total	397

Performance

A: Result - Safe operations on the airports.

Target #1: Reduce the rate of public injuries and incidents per enplaned passenger.
Status #1: The rate of public injuries and incidents decreased from 1.7 in FY2007 to 1.2% in FY2008.

Total number and rate of public injuries and incidents per 100,000 enplaned passengers.

Fiscal Year	Total #	Rate	Total Enplaned Passenger
FY 2008	30	1.2%	2,562,276
FY 2007	41	1.7%	2,429,480
FY 2006	87	3.6%	2,408,171
FY 2005	45	1.9%	2,392,920
FY 2004	58	2.6%	2,250,680

Methodology: Data is reported on a fiscal year basis.

Analysis of results and challenges: Safety and security of the traveling public is the number one priority at the airport. Through investigations incident causes and locations are determined and corrective action is taken. Also, prevention maintenance such as sanding/salting roads and walkways is a constant winter activity at the airport. Injuries are reported through dispatch operations, and figures include incidents where someone files a claim.

Target #2: Reduce the number of occupational injuries and illnesses to less than the national average.
Status #2: The incidence rate of occupational injuries and illnesses decreased from 6.7% in 2006 to 5.1% in 2007, but remained below the national average of 6.7%.

Incidence rate (number of injuries and illnesses x 200,000/total hours worked per period).

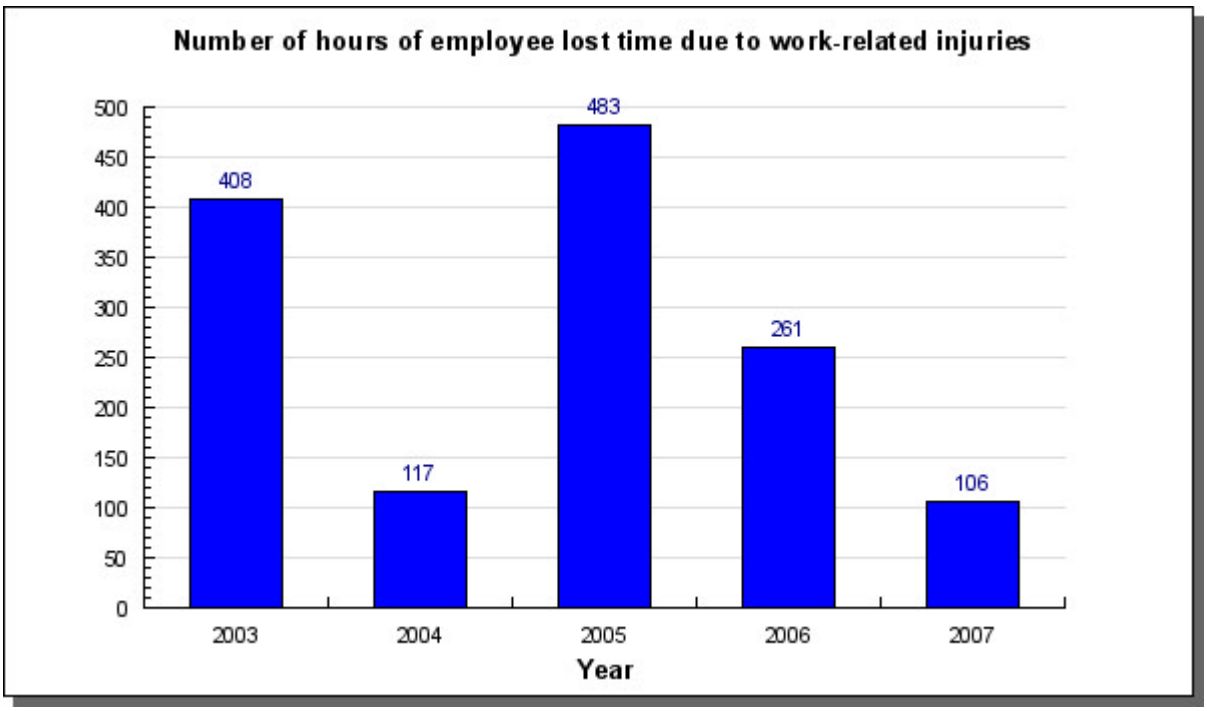
Year	YTD Total	Nat'l Average
2007	5.1%	6.7%
2006	6.7%	10.5%
2005	3.3%	11%
2004	6.7%	10.1%

Methodology: This measure is reported on a calendar year basis.

Analysis of results and challenges: The airport has written site-specific programs for facilities, operations, field maintenance and police/fire. Safety meetings are conducted weekly to review the safety manual, safety issues, preventive maintenance, etc. Monthly, on average, the Safety and Health Program Coordinator e-mails Safety Reminders to all employees. These reminders include subjects such as ladder safety, seasonal celebration safety, chain saw safety, aerial lift safety, etc.

This is measured annually (calendar year basis) from Occupational Safety and Health Administration (OSHA) 300 logs and compared to most recent National Average for Air Transportation from the U.S. Department of Labor Bureau of Labor Statistics.

Target #3: Reduce employee lost time to zero.
Status #3: In 2007 the number of days of employee lost time due to work-related injuries decreased to 106 from 261 in 2006.



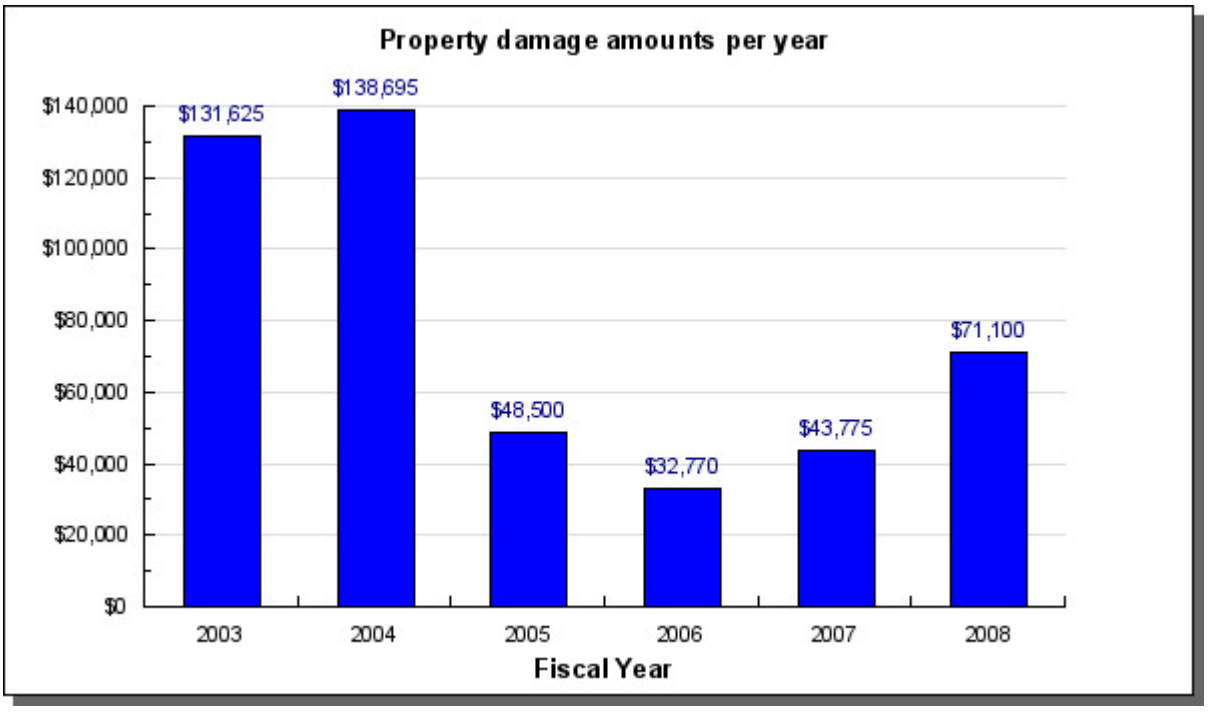
Methodology: Measured annually (calendar year basis) from OSHA 300 logs (# days away from work).

Number of hours of employee lost time due to work-related injuries

Year	YTD Total
2007	106 -59.39%
2006	261 -45.96%
2005	483 +312.82%
2004	117 -71.32%
2003	408

Analysis of results and challenges: Statistics are kept showing recordable injuries and then these injuries are broken down into causes (slip/fall, struck by/against, caught in/under/between, cut/scrape, strain, heat/cold, motor vehicle, and illness). To assist the employee, the airport tries to locate jobs the injured worker can perform (i.e., assisting the Safety Officer, data entry, parts ordering, etc.). To increase employee awareness and behavior regarding work related injuries, safety emails are sent to all employees on a regular basis (monthly); and, sections hold bi-weekly safety meetings. Also, a 10 hour work safety class is being offered by the Safety & Health Program Coordinator. Section managers will be requested to schedule this training.

Target #4: Reduce property damage to zero.
Status #4: The amount of property damages increased to $71,100 in FY2008, an increase of 62.4% over the prior year.



Property damage amounts per year

Fiscal Year	YTD Total	% change
FY 2008	$71,100	62.4%
FY 2007	$43,775	33.6%
FY 2006	$32,770	-32.4%
FY 2005	$48,500	-65%
FY 2004	$138,695	+5.4%
FY 2003	$131,625	

Analysis of results and challenges: All damage of property includes vehicles, fences, and building damage reported to Airport Police. The information is collected from the airport police logs based on calls for service. The amounts reflected are for damages to state property, but not all of the incidents are the responsibility of the state to repair/replace. For example, a driver hits a portion of the perimeter fence; the driver is responsible for the repair cost of the fence. To prevent property damages, officers patrol the terminals and roadways to find hazards that could promulgate damage to state property. For example, calling for sand on slick roadways to avoid vehicles hitting the fence.

Total for FY03 $131,625, 59 incidents at average cost of $2,231.
Total for FY04 $138,695, 40 incidents at average cost of $3,467.
Total for FY05 $48,500, 52 incidents at average cost of $932.
Total for FY06 $32,770, 50 incidents at average cost of $655.
Total for FY07 $43,775, 69 incidents at average cost of $634.
Total for FY08 $71,100, 41 incidents at average cost of $1,734.

A1: Strategy - Maximize the safety and security of the traveling public.

Target #1: 100% compliance with American with Disabilities (ADA) requirements.
Status #1: For the 4th year in a row the airport met all ADA compliance requirements.

Percent of airport facilities in compliance with ADA.

Fiscal Year	Percent
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%
FY 2004	75%

Analysis of results and challenges: In FY08, two ADA issues were resolved; one public restroom in lower Concourse A was brought to ADA compliance and airline gate C9 in Concourse C public door was automated for accessibility.

The Americans with Disabilities Act of 1990 requires access to buildings and facilities by individuals with disabilities. These scoping and technical requirements must be applied during the design, construction, and alteration of buildings and facilities that serve the general public. In FY07, the North and South Terminal restroom renovation was completed on boarding levels and South Terminal road grade and curbs were modified to increase ADA accommodations.

Target #2: Maintain roads and sidewalks so they are accident/incident free.
Status #2: The number of accidents/incidents on airport maintained roads and sidewalks decreased from 9 in FY2007 to 7 in FY2008.

Number of accidents/incidents on airport maintained roads and sidewalks.

Fiscal Year	YTD Total
FY 2008	7 -22.22%
FY 2007	9 -40%
FY 2006	15 -74.14%
FY 2005	58 +41.46%
FY 2004	41

Methodology: This measure is reported on a fiscal year basis.

Analysis of results and challenges: This measures how well we keep roads and sidewalks free of ice and snow. Data is gathered based on claims and police reports. Speed limits will be enforced and concrete areas will be sanded/salted to help prevent incidents.

Target #3: Reduce complaints regarding signage.
Status #3: The number of complaints regarding signage decreased from 10 in FY2007 to 8 in FY2008.

Number of complaints regarding signage

Fiscal Year	YTD Total
FY 2008	8 -20%
FY 2007	10 +100%
FY 2006	5 +25%
FY 2005	4 -78.95%
FY 2004	19

Methodology: Measure is reported on a fiscal year basis.

Analysis of results and challenges: Signage includes outside and inside the terminals. Walk arounds to check signage are done by facilities staff, the sign shop, leasing staff, as well as by the airport manager. Customer suggestion boxes, which are a mechanism to register a complaint or suggestion, are throughout the terminals, at the shuttle bus stops, or a customer can call Operations or Safety. Comment cards from the customer suggestion boxes are tracked by the public relations staff and deputy director. When applicable, responses are sent to the customer. All customer comments are considered and reasonable changes regarding signage are made.

Target #4: Maintain adequate runway conditions to avoid airport closure.
Status #4: For the 3rd year in a row the Anchorage Airport had no closures due to acts of nature.

Number of hours the airport is closed due to acts of nature

Year	Total
2007	0
2006	0
2005	0
2004	0
2003	10

Methodology: This measure is reported on a fiscal year basis.

Analysis of results and challenges: In 2003 the control tower had to be evacuated due to high winds and the airport was closed for 10 hours. During such a closure, aircraft are diverted to Fairbanks or they stay where they are until we re-open. The airport has won the International Balchen Post Award (large airport category) for Best Snow and Ice Control Teams six out of the last eleven years and three years Honorable Mention. The airport's goal

is to allow no more than 12 hours of complete runway closure per year.

Target #5: Provide adequate law enforcement officer/medical emergency response within federal requirements.
Status #5: For the 4th year in a row the airport law enforcement officer/medical emergency response time averaged less than 2 minutes per incident, which is well within the goal of 10 minutes.

Average law enforcement officer/medical emergency response time

Fiscal Year	Total
FY 2008	Less than 2 minutes
FY 2007	Less than 2 minutes
FY 2006	Less than 2 minutes
FY 2005	Less than 2 minutes
FY 2004	Less than 2 minutes

Analysis of results and challenges: Airport Police and Fire officers responded to 429 calls for medical assistance in FY08. There are four police officers and one mobile fire/medical response unit available on a 24/7 basis. Federal Acquisition Regulation (FAR) Part 139 requires officers on duty to be qualified as an Emergency Trauma Technician, Transportation Security Regulation (TSR) Part 1542 requires officers to provide basic first aid. Airport terminals have first aid kits and Automated External Defibrillators (AEDs) in various, strategic locations throughout the terminals to facilitate a more rapid response for medical assistance.

The airport's goal is maintain an average response time of ten minutes or less.

A2: Strategy - Improve compliance with applicable safety codes.

Target #1: Receive zero violations related to state and federal safety codes.
Status #1: The airport received 0 safety related Notice of Violation in FY2008 which was a decrease of 1 over FY2007.

Number of safety related Notice of Violations (NOVs)

Fiscal Year	Total
FY 2008	0
FY 2007	1
FY 2006	0
FY 2005	0
FY 2004	1

Analysis of results and challenges: Measured on a fiscal year basis. This target addresses compliance with building, electrical, fire and other applicable safety codes. Airport Facilities received one safety violation in FY2004 regarding failure to have adequate documentation regarding training performed in response to an employee complaint and subsequent inspection. The violation was resolved and training shown to actually have had occurred as required. Airport Facilities received one state safety violation in FY2007 regarding missing machine guards on the old bag belt system. The violation was resolved and guards have been installed.

B: Result - Customer satisfaction.

Target #1: Reduce the number of negative comment cards from any airport customer or tenant regarding the airport facilities, operations and/or environment.
Status #1: The number of negative comment cards decreased from 57 in FY2007 to 48 in FY2008.

Number of negative comment cards regarding airport facilities, operations and/or environment including tenants

Fiscal Year	Total
FY 2008	48 -15.79%
FY 2007	57
FY 2006	n/a

Analysis of results and challenges: Customer suggestion boxes are throughout the terminals, at the shuttle bus stops, or a customer can call Operations or Safety for a card. These are easily available for tenants, flight crew, concessionaires, as well as the passengers. To improve services, the airport will pay more attention to temperature, cleanliness, appearance in the terminals.

Target #2: 90% of concessionaires and airlines participating in an airport-wide program to enhance customer satisfaction.
Status #2: In FY2007 there was 53% of all concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction, the percentage increased to 66% in FY2008.

Percent of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction

Fiscal Year	Percent
FY 2008	66%
FY 2007	53%
FY 2006	90%
FY 2005	35%

Methodology: Measured on a fiscal year basis.

Analysis of results and challenges: It takes but one experience at the airport to spoil a visitor's whole day. Excellent service from entry to exit, on the other hand, wins repeat customers. The current program to measure is the Airport Mystery Shopper Program. The program was started in FY2005 and fully implemented by FY2006 (reflecting a large increase in participation from FY2005 to FY2006). In FY2007, out of a possible 32, there were 17 participants; in FY2008 out of 32 possible there were 21 participants, an increase of 4.

Target #3: Resolve at least 90% of all problem work order requests.
Status #3: In FY2008, 98.2% of all problem work orders were resolved.

Number of Work Orders

Fiscal Year	Opened	Closed	% Resolved
FY 2008	511	502	98.2%

Analysis of results and challenges: This performance measure was added in FY2008. The Information Technology requirements have increased airport wide. Challenges exist not only budgetarily but also in meeting all the user and project needs. Often, problem work order requests will require updated software, maintenance and/or new equipment. Work orders are generated by tenants of the airport, airlines, passengers, and/or other airport sections. Examples of work order requests include problems with the Multi-User Flight Information Displays System (MUFIDS) - airlines schedule display, wireless connections inside the airport and printer connections.

B1: Strategy - Improve maintenance activities so facilities are clean, well kept and stocked.

Target #1: Respond to all requests within 3 business days.
Status #1: For the 5th year in a row the airport staff responded to maintenance requests within an average of 1 day, which is well within the 3-day goal.

Average number of days taken to respond to maintenance requests.

Fiscal Year	Total
FY 2008	1
FY 2007	1
FY 2006	1
FY 2005	1
FY 2004	1
FY 2003	0

Analysis of results and challenges: The Anchorage International Airport (ANC) is a 24-hour a day, 7 days a week operation and must be able to respond to inquiries as soon as possible. We have over 5 million passengers/customers go through our facilities each year that expect a good level of service. Data is collected from the Help Line Log at ANC. Normal response time is within 24 to 72 hours.

B2: Strategy - Minimize negative airport impact.

Target #1: Minimize noise impact on surrounding communities through the use of preferential runways for at least 75% of the night operations at the airport.
Status #1: The airport used preferential runways at least 75% of the time in FY2008 to minimize noise impact on the surrounding communities during night operations.

Percent of departures using preferential runways

Fiscal Year	Total
FY 2008	77%
FY 2007	73%
FY 2006	75%
FY 2005	75%
FY 2004	100%

Methodology: Reported on a fiscal year basis.

Analysis of results and challenges: A preferential runway is the runway that when used, would have the least noise impact on the surrounding communities. The majority of noise complaints are during the night operations. Notification is given through newspaper notices and/or nearby community mailing lists when a preferential runway cannot be used, such as for scheduled construction. Issues such as unanticipated weather changes could cause a change from a preferential runway without notice. This is reported on a fiscal year basis. Information comes from the daily operations shift summaries. For FY2008, out of approximately 200,000 take offs in the year, only two times was a non-preferential runway not used.

C: Result - Optimize revenue.

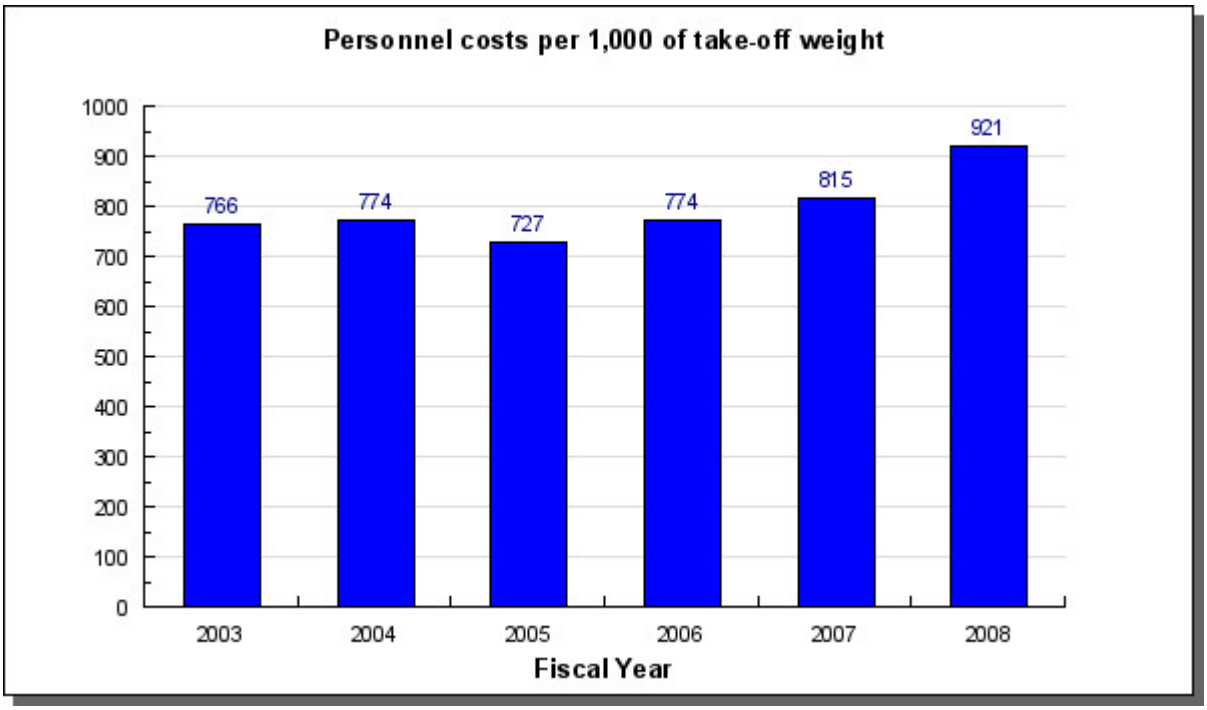
Target #1: Increase concession revenue by 1% per year.
Status #1: In FY2008 the Anchorage Airport increased concessionaire revenues by 3.1%.

Percent change in concession revenue

Fiscal Year	Concession Revenue Total	% Change in Revenue
FY 2008	8,588,200	3.1%
FY 2007	8,332,200	17.2%
FY 2006	7,109,700	-23%
FY 2005	9,236,700	31.8%
FY 2004	7,006,500	-10%
FY 2003	7,775,700	

Analysis of results and challenges: Increased concession revenue allows other airport fees (terminal rent and landing fees) to remain low enough to continue to make the airport attractive to air carriers. The dramatic changes from 2005 to 2006 reflect an accounting transaction error when revenue was allocated to a specific fiscal year. Specifically, the decrease in revenue is a result of a dramatic drop in declining international passengers (due to Severe Acute Respiratory Syndrome [SARS], war and the economy). The airport continues to generate additional concession revenue in the South Terminal; however the decline in international passengers (thus the drop in duty free concessionaire revenue) is difficult to overcome with the modest increases in the South Terminal revenues.

Target #2: Keep constant or decrease personnel costs per 1,000 pounds of take-off weight.
Status #2: Personnel costs per 1,000 pounds of take-off weight increased from $815 in FY2007 to $921 in FY2008.



Methodology: Measure is calculated on a fiscal year basis.

Personnel costs per 1,000 of take-off weight

Fiscal Year	YTD Total
FY 2008	921 +13.01%
FY 2007	815 +5.3%
FY 2006	774 +6.46%
FY 2005	727 -6.07%
FY 2004	774 +1.04%
FY 2003	766

Analysis of results and challenges: While the number of passengers and operations are expected to increase each year, a more accurate measurement of the efficiency of the airport staff is the cost of operating the airport per 1,000 pounds of Certified Maximum Gross Takeoff Weight (passenger and cargo).

C1: Strategy - Opportunities for multiple revenue sources.

Target #1: Secure major development (>$10 million in total anticipated capital investment) every 10 years.
Status #1: Since 2004 there have been enough building permits issued that would indicate the airport will meet this target well before 2014.

Cumulative investment dollars since 1994

Year	Total
2004	$193,892,735

Analysis of results and challenges: Each calendar year, the last 10 years of private construction investments are totaled and compared to our target of $10 million. The investment information is based on Anchorage International Airport (ANC) building permits. Private investment in permanent facilities at ANC represents a key factor in the city's and state's economic development. Market driven private investment in construction dollars, maintenance and operations, and net increases in jobs from construction and operations is a quantitative measure of economic growth or decline. New private cargo hardstands are being built to meet anticipated growth in flight activity. Flight activity in turn generates landing fees, fuel flowage fees and other airport revenues. In 2006-2007 two express cargo carriers each built a major ground service equipment maintenance facility costing over $5 million each, totaling approximately $10 million. A corporate/general aviation facility costing approximately $4 million is under construction and a second of approximately the same cost was permitted for construction.

D: Result - Regulatory compliance at all levels.

Target #1: Pass annual FAA (Federal Aviation Administration) Airport Certification Part 139 inspections.
Status #1: The Anchorage International Airport (ANC) passed the FAA Airport Certification Part 139 inspections for the past five years.

Outcome of Part 139 inspections

Year	YTD Total
2007	Pass
2006	Pass
2005	Pass
2004	Pass
2003	Pass

Methodology: Measured on a calendar year basis.

Analysis of results and challenges: As federally assisted airports, we must comply with all operational and airfield requirements of FAA. We must pass an annual certification inspection. Typically, there can be minor discrepancies discovered during certification inspections that do not affect the passing results. ANC has passed each year to date, with no major discrepancies, and any minor discrepancies were resolved.

D1: Strategy - Improve environmental conditions at the airport.

Target #1: Zero environmental Notices of Violation (NOVs).
Status #1: For the sixth year in a row the Anchorage Airport had no NOVs for environmental issues.

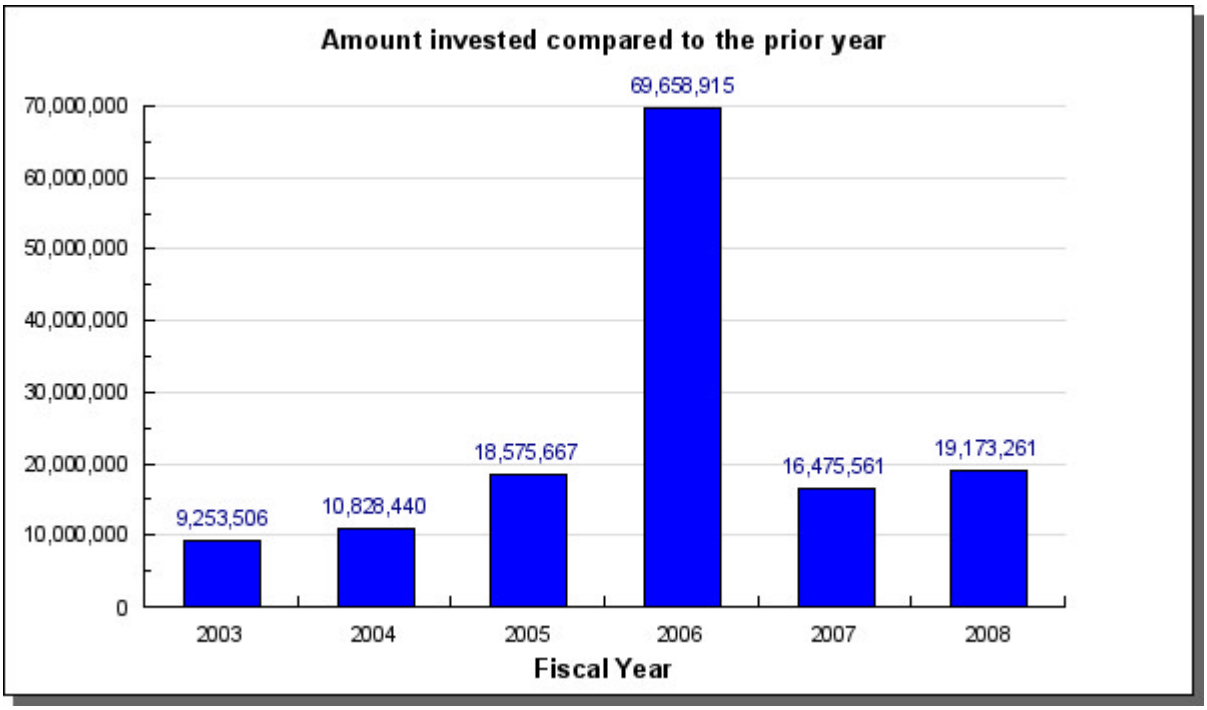
Number of environmental Notice of Violations

Fiscal Year	Number
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0
FY 2003	0

Analysis of results and challenges: Anchorage International Airport must comply with all environmental regulations, including activities, property and facilities managed by the airport.

E: Result - Economic development.

Target #1: 2% increase in private investment at the airports per year.
Status #1: Private investment increased by 16% in FY2008 over FY2007.



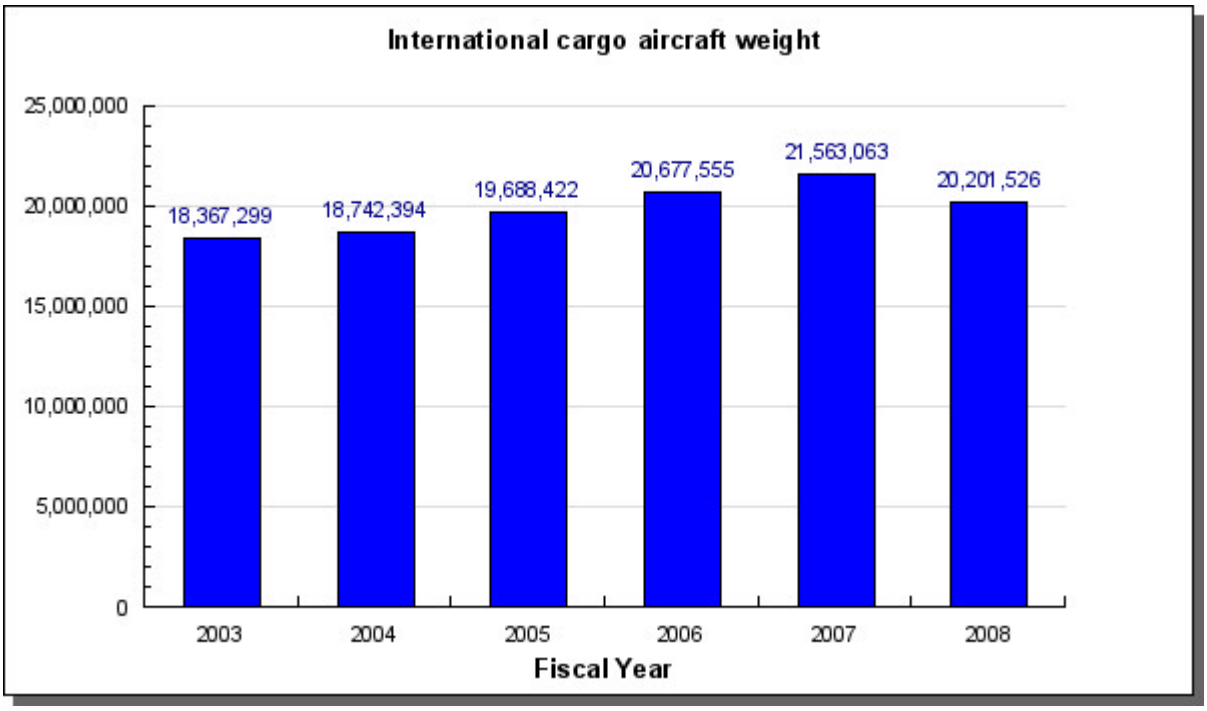
Methodology: Measured annually from the dollar amount of permanent improvements to leaseholds as requested on airport tenant improvement building permits.

Amount invested compared to the prior year

Fiscal Year	YTD Total
FY 2008	19,173,261 +16.37%
FY 2007	16,475,561 -76.35%
FY 2006	69,658,915 +275%
FY 2005	18,575,667 +71.55%
FY 2004	10,828,440 +17.02%
FY 2003	9,253,506

Analysis of results and challenges: Buildings are being constructed such as new cargo facilities, remodeling passenger hangars to upgrade and/or accommodate aircraft requirements, adding aircraft fueling facilities, etc. This aviation development reflects support of statewide business activity and in some cases response to national and international aviation business. To bring in more private investment, the airport is in constant contact with airlines, third party developers, support businesses, organizations such as Airports Council International (ACI) and its sister organizations, the International Air Cargo Association (TIACA), and Alaska Economic Development Corporation (AEDC), Anchorage Air Cargo Association and local Chambers of Commerce. The large increase from 2005 to 2006 reflects the Rental Car Garage Facility at $65M increase alone.

Target #2: Increase international cargo aircraft landed weight by 1% per year.
Status #2: In FY2008 international cargo aircraft landed weight decreased by 6.31% over the prior year.



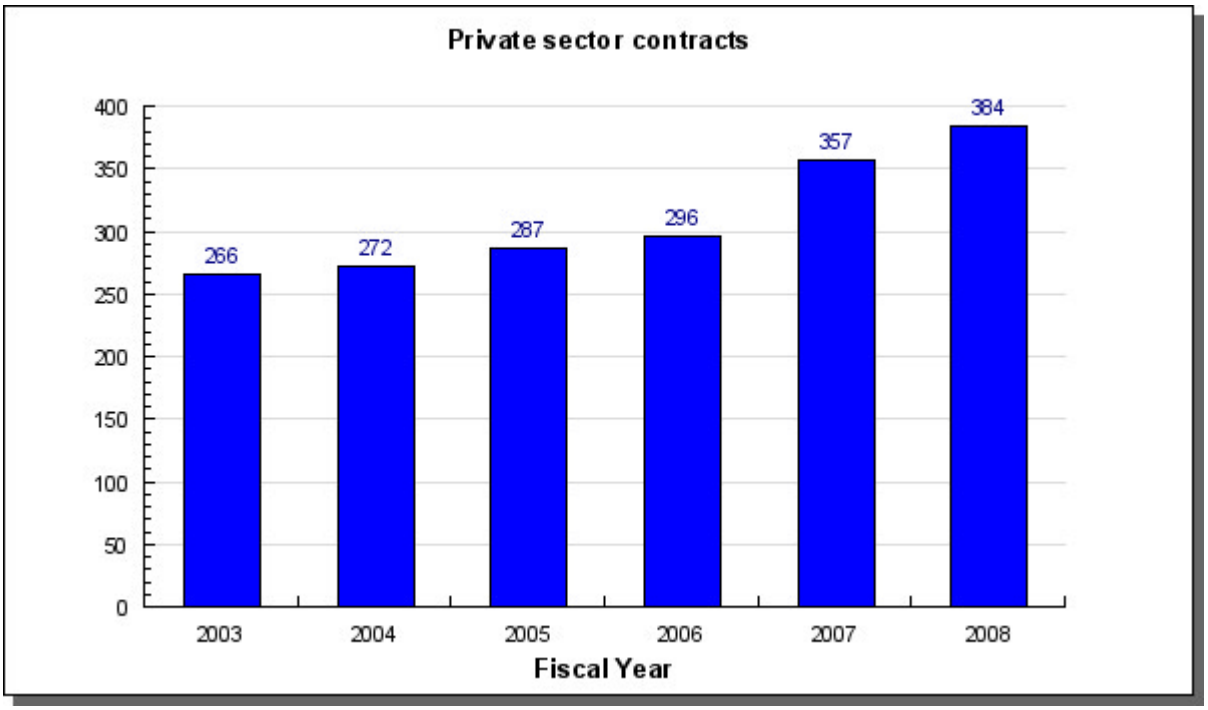
International cargo aircraft weight

Fiscal Year	YTD Total
FY 2008	20,201,526 -6.31%
FY 2007	21,563,063, +4.28%
FY 2006	20,677,555 +5.02%
FY 2005	19,688,422 +5.05%
FY 2004	18,742,394 +2.04%
FY 2003	18,367,299

Analysis of results and challenges: Marketing continues to actively pursue additional cargo traffic through the Ted Stevens Anchorage International Airport (ANC). Future cargo activity will be mainly driven by the growth in the China air cargo market. All U.S. cargo carriers operating on this route have designated Anchorage as their U.S. departure point. We do, however, continue to face challenges from other airports attempting to draw our cargo traffic to other hubs by offering free landing fees and other incentives. Landed cargo weight is an industry benchmark for ranking airports. Since ANC is heavily dependent on cargo traffic for revenue generation, tracking this item is appropriate. ANC is the number 1 airport in the U.S. for landed weight of cargo aircraft and number 3 in the world for cargo throughput.

E1: Strategy - Improve marketing efforts for private sector development.

Target #1: Increase private sector contracts by 2% per year.
Status #1: The number of private sector contracts increased in FY2008 by 7.6% to a total of 384 contracts.



Methodology: Measured by the number of active contracts included in the Leasing/Property subsystem.

Private sector contracts

Fiscal Year	# of contracts
FY 2008	384 +7.56%
FY 2007	357 +20.61%
FY 2006	296 +3.14%
FY 2005	287 +5.51%
FY 2004	272 +2.26%
FY 2003	266

Analysis of results and challenges: The Anchorage International Airport is a self-sustaining facility and in order to remain so, revenues need to increase by attracting new carriers, tenants, or other business activities at the airport. The airport markets space to potential customers as available (advertising in magazines, sending notices to potential customer lists). Growth, such as the new parking garage for rental car agencies, is making it more attractive for these customers to bring their business to the airport.

Component: Anchorage Airport Administration

Contribution to Department's Mission

Provide the overall airport management and leadership necessary to assure that all airport functions are conducted in accordance with appropriate laws, regulations, policies, and procedures and in a safe, efficient and cost-effective manner.

Core Services

- ADMINISTRATION: Supervise all Ted Stevens Anchorage International Airport (ANC) operations/activities, develop policies to assure compliance with all laws and regulations, provide budget and management reporting.
- MARKETING: Administer marketing program.
- COMMUNITY RELATIONS: Maintain a positive public communications program.
- PLANNING: Program capital improvement projects (intergovernmental coordination, policy analysis).
- ENGINEERING: Provide engineering oversight/coordination of ANC construction activities.
- ENVIRONMENTAL: Develop and implement environmental policy and plans to meet laws and regulations, administer noise program.
- BUSINESS DEVELOPMENT: Develop and facilitate cargo and passenger facility expansions, terminal development, strategic business planning, manage the Master Plan, and participate in Operating Agreement negotiations.
- LEASING: Manage ANC real estate leases, terminal space leases, and other 3rd party agreements.
- INFORMATION SYSTEMS DEVELOPMENT: Provide information management capabilities to administrative and operational functions at the airport. Provide relevant information to the traveling public. Support operational systems.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $7,811,400

Personnel:	
Full time	48
Part time	1
Total	49

Component: Anchorage Airport Facilities

Contribution to Department's Mission

Protect the state's investment in all airport buildings by maintaining, in the most cost-effective manner possible, the infrastructure, utilities, structures and other facilities to meet or exceed their expected life-cycle at an acceptable level of service. This section presents a clean and attractive passenger terminal and other airport facilities to the traveling public and airport tenants.

Core Services

- Facilities employees and contract personnel operate and maintain the airport terminal buildings, Airport Rescue and Fire Fighting facility, and 29 other state-owned or managed buildings and structures at Anchorage International Airport (ANC).
- Basic services include operation and maintenance of terminals, heating, ventilation, air conditioning and refrigerator systems, baggage lines and conveyor systems, escalators, elevators, automated doors and gates, lighting systems, fire and security controls, and electronic and electrical systems. It also includes coordinating both tenant and state sponsored construction, renovations, repairs, and small works projects.
- State and contracted custodial employees ensure daily cleaning, dusting, sanitation, and trash and waste pickup in the passenger terminals 24 hours daily, administrative offices, Airport Rescue and Fire Fighting (ARFF), Airfield Maintenance complex, and peripheral buildings.
- State and contract employees also shovel snow from sidewalks, other walkways, the terminal roof, and ramp entrances, and assist field and grounds maintenance when needed.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $19,750,400

Personnel:	
Full time	133
Part time	0
Total	133

Component: Anchorage Airport Field and Equipment Maintenance

Contribution to Department's Mission

Provide safe aircraft movement surfaces through efficient and cost-effective maintenance of the Air Operations Area, and to maintain vehicle roads, parking lots and other grounds in compliance with Federal Aviation Administration (FAA) airport certification requirements, as well as accepted prudent maintenance requirements and practices.

Core Services

- Purchase, maintain, and repair rolling stock, fire fighting equipment, vehicles, and controlled property (small equipment).
- Provide physical maintenance of all runways, taxiways, aircraft parking, vehicle parking lots, roads, sidewalks, surface drainage, and grounds within the boundaries of the 4,500+ acre airport, as well as both sides of perimeter fencing.
- Repair/maintain and remove snow and ice from all pavement areas, airport runways, taxiways, roadways, sidewalks, and grounds.
- Perform daily maintenance inspections of airport areas and retain related data required by Federal Aviation Regulations (FAR) 139 regulations.
- Repair and maintain 322 lake slips, 458 wheeled tiedowns, and one dirt runway serving general aviation commercial and private aircraft owners.
- Provide installation and maintenance of all airport lighting on runways, taxiways, ramps, general aviation areas, parking lots, and roadways.
- Perform surface friction testing on all runways as required by FAA and retain those reports.
- Provide emergency support on all aircraft alert conditions as well as any other emergencies that may arise.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $12,071,700

Personnel:	
Full time	88
Part time	24
Total	112

Component: Anchorage Airport Operations

Contribution to Department's Mission

Ensure a safe, well constructed, well coordinated, environmentally sound operating environment for air carriers and other airport tenants, general aviation, the traveling public, and employees. This section ensures that the airport and its tenants are in compliance with federal, state and airport regulations.

Core Services

- Represent the Airport Director outside normal airport business hours.
- Perform duties required by 14 CFR Part 139 and 49 CFR Part 1542, including daily inspections and surface friction measurements.
- Disseminate Notice to Airmen filings to the Federal Aviation Administration and air carriers.
- Update certification plans.
- Monitor land lease activity and tie down parking for compliance.
- Provide general operational support to air carriers and the general aviation community.
- Provide 24-hour central dispatch radio communications for all airport functions and emergencies.
- Provide prompt and accurate information to air carriers.
- Develop operations plans, monitor air operations activities and recognize, report and resolve aircraft operating problems.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $5,387,900

Personnel:	
Full time	29
Part time	0
Total	29

Component: Anchorage Airport Safety

Contribution to Department's Mission

To protect people and their property with the best police and firefighting professionals. To perform airport rescue and firefighting, law enforcement, emergency medical technician, and airfield operation services that meet Federal Aviation Administration (FAA) airport certification and security requirements in a cost effective manner, while being responsive to the public, airport management, and community needs.

Airport Police and Fire work to improve the following missions and measures:

Ensure safe operations on the airport
Maximize safety and security of the traveling public
Improve customer service
Ensure regulatory compliance at all levels

Core Services

- Provide crash/fire rescue and emergency medical services for Anchorage International Airport (ANC) in compliance with Federal Aviation Administration (FAA) mandates as well as other federal, state, and local requirements.
- Plan, staff, train for, and respond to real and simulated aircraft and bomb threat incidents, accidents, and natural disasters.
- Provide or contract for primary police, traffic control, and guard service on ANC property.
- Coordinate all FAA required security measures and mandates such as inspection of security points on ANC property including gates and fencing.
- Provide oversight of screening point activities.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $11,059,400

Personnel:	
Full time	74
Part time	0
Total	74

Fairbanks International Airport Results Delivery Unit

Contribution to Department's Mission

Provide for the safe movement of people and goods at Fairbanks International Airport (FAI).

Core Services

- Administration including airport planning, marketing, operating and capital budget development, leasing, finance, engineering, environmental and Occupational Safety and Health Administration (OSHA) management, and information technology support.
- Building maintenance, housekeeping, and repair services including the airport terminal and other state-owned or managed buildings, exterior electrical systems for airfield lighting, aircraft and vehicle parking areas.
- Maintenance and repair of paved and unpaved airside and landside surfaces, signage, security fencing/gates, and airport-owned heavy equipment; snow removal and ice control, vegetation and dust control; hazardous materials handling and disposal.
- Airport operations duties including daily inspections and surface friction reports, Notices to Airmen (NOTAM), maintenance of the airport's Federal Aviation Administration (FAA) Certification Manual and Safety Manual, airfield safety training, and assistance to aircraft, tenants and construction project staff on the airfield.
- Aircraft rescue, fire fighting, law enforcement, 24-hour central dispatch radio communications, and required federal/state airport security response capability.

End Result	Strategies to Achieve End Result
A: Ensure safe operations on the airport. Target #1: Reduce occupational injury and illness incidence rate to less than the national rate for airports. Status #1: The Fairbanks International Airport (FAI) occupational injury and illness incidence rate decreased from 15.1 in 2006 to 1.1 in 2007, which is below the national rate of 9.9. Target #2: Reduce employee lost time to zero. Status #2: Employee lost hours due to workplace injury decreased to 896 in 2007 from 3,032 in 2006, a reduction of 70%. Target #3: Reduce public property damage and injuries to zero. Status #3: The number of settled property and injury claims against the Fairbanks International Airport decreased from one in FY2007 to zero in FY2008.	**A1: Maximize the safety and security of the traveling public.** Target #1: Zero major discrepancies on annual Part 139 inspections. Status #1: Fairbanks International Airport had two notices of violation in 2008 (January-October), an increase of two from 2007. Target #2: Zero environmental Notices of Violation or Non-Compliance Letters. Status #2: The Fairbanks International Airport (FAI) had zero notices of violation or letters of non-compliance for environmental issues in 2007. Target #3: Maintain adequate runway conditions for safe operations. Status #3: There were no closures of the Fairbanks International Airport due to acts of nature from January through October of 2008. Target #4: Reduce the number of airfield deviations and incursions per year. Status #4: The number of airfield deviations or incursions at Fairbanks International Airport (FAI) in 2007 was six compared to the 3-year average of 3.33. Target #5: Zero Airport Police and Fire officer response

	times that do not meet or exceed Code of Federal Regulation guidelines. Status #5: Airport Police and Fire officers performed 2,676 law enforcement responses in FY2008, all within federal guidelines. Target #6: Ensure adequate emergency medical response on the airport. Status #6: Provided 8,760 hours of Emergency Trauma Technician coverage during which 55 medical emergencies were responded to. Target #7: Ensure fire response time meets or exceeds CFR Part 139 federal guidelines. Status #7: Provided 17,520 hours of coverage in 2007, during which 70 emergency fire responses were made, all meeting federal guidelines.
End Result	**Strategies to Achieve End Result**
B: Decrease revenue gap. Target #1: Decrease the gap between revenues and expenditures. Status #1: The gap between expenditures and revenues increased by 8.1% between FY2007 and FY2008.	**B1: Increase revenue.** Target #1: Increase concession and permit revenues by 5% per year. Status #1: Concession and permit revenues increased by 4.7% between FY2007 and FY2008 at the Fairbanks International Airport. Target #2: Increase land lease revenues by 2% per year. Status #2: Land lease revenues increased by 1.2% at Fairbanks International Airport between FY2007 and FY2008. Target #3: Increase private investment by 2% per year. Status #3: The amount of private investment at Fairbanks International Airport in 2008 was more than 2.5 times the 5-year average and reflected an increase of 134% over 2007. **B2: Maintain or decrease costs.** Target #1: Maintain or decrease operational cost per enplaned passenger per year. Status #1: The operational costs per enplaned passenger increased from 9.52 in 2007 to 9.70 in 2008 at Fairbanks International Airport as compared to the change in the 3-year average of 1.93.
End Result	**Strategies to Achieve End Result**
C: Enhance customer satisfaction. Target #1: Zero customer complaints associated with facility cleanliness, keeping, and stocking. Status #1: There were no customer complaints logged onto the Fairbanks International Airport customer hotline	**C1: Timely response to all maintenance requests.** Target #1: Respond to all public maintenance requests within three business days. Status #1: The Fairbanks International Airport (FAI) staff responded to all public maintenance requests within

associated with facility cleanliness or maintenance during FY2008.	three business days throughout FY2008, as they did in FY2007. **C2: Ensure business friendly leasing and permit process.** Target #1: 90% customer service satisfaction rating of potential/actual applicants seeking land leases, building permits, and supplements. Status #1: The Fairbanks International Airport again maintained a 100% customer service satisfaction rating for assistance and processing of land leases, building permits and supplements during FY2008.

Major Activities to Advance Strategies

- Comply with FAA safety directives including snow/ice removal
- Maintain airfield lighting and signage in 100% working order
- Maintain clear and safe access around the terminal
- Aggressively promote FAI in national and international passenger and cargo carrier markets
- Collect all monthly rents and fees due to the airport and aggressively pursue any overdue payments
- Utilize state contract awards and "buy in bulk" whenever possible
- Automated work order system tracks timely response to customer requests and scheduled maintenance
- Review leasing customer satisfaction survey distributed to business partners

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $13,972,600

Personnel:	
Full time	100
Part time	7
Total	107

Performance

A: Result - Ensure safe operations on the airport.

Target #1: Reduce occupational injury and illness incidence rate to less than the national rate for airports.
Status #1: The Fairbanks International Airport (FAI) occupational injury and illness incidence rate decreased from 15.1 in 2006 to 1.1 in 2007, which is below the national rate of 9.9.

FAI annual incidence rate

Year	YTD Total	Nat'l Rate
2007	1.1	9.9
2006	15.1	9.9
2005	6.4	9.4
2004	15.8	10.1
2003	7.93	11.8

Methodology: Measured by calendar year.

Analysis of results and challenges: Ensuring the safety of the airport's workforce helps keep it running year around - and protects the traveling public. To "stay safe", employee training is provided and a safety conscious

attitude is encouraged when getting the job done. The success of this measure is reviewed annually by comparing the FAI Incidence Rate (the number of injuries and illnesses per 100 full time equivalent workers) to the national incidence rate for airports of similar size, using a standard U.S. Department of Labor formula and the FAI injury log.

Target #2: Reduce employee lost time to zero.
Status #2: Employee lost hours due to workplace injury decreased to 896 in 2007 from 3,032 in 2006, a reduction of 70%.

Employee lost hours due to workplace injury

Year	YTD Total
2007	896 -70.45%
2006	3,032 +311.96%
2005	736 -68.17%
2004	2,312 +160.36%
2003	888

Methodology: Target is 0. Calendar year measure.

Analysis of results and challenges: Employee lost time, similar to an incidence rate, is another measurement of how safe the work environment is and how well the airport is doing to prevent injuries. FAI tracks employee lost time by utilizing the OSHA 300 logs (# days away from work x 8 hours). Efforts are made to keep this number at a minimum by providing employee training and stressing a safety conscious attitude when getting the job done. The effectiveness of the training is analyzed in part by comparing the current year to past years, focusing in on challenging areas, namely repeat incidences or incidences that result in many lost hours, i.e., a broken arm. In essence, no one tool is good enough to measure employee safety - so Fairbanks International Airport uses two.

Target #3: Reduce public property damage and injuries to zero.
Status #3: The number of settled property and injury claims against the Fairbanks International Airport decreased from one in FY2007 to zero in FY2008.

Annual Property Damage and Injury Claims

Fiscal Year	YTD Total
FY 2008	0
FY 2007	1
FY 2006	2
FY 2005	3
FY 2004	0
FY 2003	2

Methodology: Measured by fiscal year.

Analysis of results and challenges: One of the best ways to measure the level of maintenance and risk prevention at the airport is to track the number of settled property and injury claims against the Fairbanks International Airport. Claims are measured annually from data provided by Department of Administration, Risk Management.

A1: Strategy - Maximize the safety and security of the traveling public.

Target #1: Zero major discrepancies on annual Part 139 inspections.
Status #1: Fairbanks International Airport had two notices of violation in 2008 (January-October), an increase of two from 2007.

Number of Part 139 inspection discrepancies

Year	YTD Total
2008	2
2007	0
2006	4
2005	3
2004	2
2002	3

Methodology: Measured annually by calendar year.

Analysis of results and challenges: As a federally assisted airport, Fairbanks International Airport must comply with all Federal Aviation Administration (FAA) operational and airfield requirements. Compliance is awarded based on an annual certification inspection. Typically, there are numerous minor discrepancies discovered during certification inspections that do not affect the passing results. It is important to note that both violations were a result of an FAA policy change for long-standing reported items scheduled for replacement with runway reconstruction in 2009. That is, these items were not considered reportable in previous years and the FAA was well aware of them.

Target #2: Zero environmental Notices of Violation or Non-Compliance Letters.
Status #2: The Fairbanks International Airport (FAI) had zero notices of violation or letters of non-compliance for environmental issues in 2007.

Number of Notice of Violations/Non-compliance letters

Year	YTD Total
2007	0
2006	1
2005	0
2004	0
2003	0

Methodology: Measured by calendar year.

Analysis of results and challenges: Environmental stewardship is important - and like other business entities - FAI must comply with all environmental regulations related to activities, property and facilities managed by the airport. Preventative environmental programs are implemented in an effort to reduce or eliminate environmental violations. This measurement does not include actions issued to tenants or other airport users.

Target #3: Maintain adequate runway conditions for safe operations.
Status #3: There were no closures of the Fairbanks International Airport due to acts of nature from January through October of 2008.

Number of hours per year runway is closed that impact aviation operations

Year	YTD Total	3yr Average
2008	0	0
2007	0	0
2006	1	1
2005	0	1
2004	1	1
2003	2	2

Methodology: Reporting is on a calendar year basis.

Analysis of results and challenges: Fairbanks International Airport uses flex staffing and preventative maintenance in challenging weather conditions to ensure the airways and air surfaces remain open for business. Success in airfield maintenance is measured by the amount of time the airfield is closed as recorded on Notice to Airmen issued by permitted agencies. The times "counted" for the measurement are those times in which airfield closures impact scheduled operations. Closures that occur when the runway is not in use normally last for 10 minutes or less.

Target #4: Reduce the number of airfield deviations and incursions per year.
Status #4: The number of airfield deviations or incursions at Fairbanks International Airport (FAI) in 2007 was six compared to the 3-year average of 3.33.

Number of deviations and incursions

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	3yr Average
2008	1	2	1	0	4	
2007	0	1	5	0	6	3.33
2006	0	0	3	0	3	2.75
2005	0	1	0	0	1	2.6
2004	0	1	1	1	3	3.5
2003	0	0	2	2	4	4

Methodology: Measured by calendar year.

Analysis of results and challenges: Deviations and incursions are terms used to describe a pedestrian or vehicle entering radio-controlled surfaces at an airport without permission; i.e., not receiving clearance from the air traffic control tower to cross a taxiway or runway. Unlike airports that have multiple main runways that offer choices to landing or departing aircraft, FAI's challenge is to perform runway maintenance and still have it available for aviation operations. To accomplish this, FAI is vigilant about training all badged personnel in proper radio procedures to ensure deviations and incursions are avoided; further, if they do occur, to retrain or remove non-compliant users from the airfield. Fairbanks has been very proactive in working with users, tenants and the Federal Aviation Administration to identify and remedy situations which can lead to vehicle and pedestrian deviations. To that end, FAI established a local Runway Safety Task Force and initiated an airfield-wide controlled access improvements capital project.
This is measured by the number of deviations and incursions recorded by permitting agencies and reported to FAI.

Target #5: Zero Airport Police and Fire officer response times that do not meet or exceed Code of Federal Regulation guidelines.
Status #5: Airport Police and Fire officers performed 2,676 law enforcement responses in FY2008, all within federal guidelines.

Number of occurrences where the response was not within federal guidelines

Year	YTD Total
2007	0
2006	0
2005	0
2005	0
2004	0
2003	0

Methodology: Measured by calendar year.

Analysis of results and challenges: In compliance with federal law and in an effort to provide a safe facility, Fairbanks International Airport (FAI) must ensure that an accredited police officer is able to respond to the passenger screening point within 10 minutes. To accomplish this, FAI has at least one accredited police officer on the premises at all times. Airport police officers respond to hundreds of requests per year and by doing so, ensure a safe traveling environment.

Target #6: Ensure adequate emergency medical response on the airport.
Status #6: Provided 8,760 hours of Emergency Trauma Technician coverage during which 55 medical emergencies were responded to.

Number of non-compliance occurrences

Year	YTD Total
2007	0
2006	0
2005	0
2004	0
2003	0

Methodology: Reporting is on a calendar year basis.

Analysis of results and challenges: Federal regulations require at least one full-time Emergency Trauma Technician (ETT) be available during all operational times. To increase staff efficiency and ensure safe operations, Fairbanks International Airport (FAI) dual trains their police and fire officers to also provide first responder medical services until an ambulance can arrive. Last year FAI responded to over 70 medical requests on the premises. This is measured by recording the number of occurrences in which a fully trained ETT is not available to respond to emergency calls for assistance on the airport.

Target #7: Ensure fire response time meets or exceeds CFR Part 139 federal guidelines.
Status #7: Provided 17,520 hours of coverage in 2007, during which 70 emergency fire responses were made, all meeting federal guidelines.

Number of non-compliance occurrences

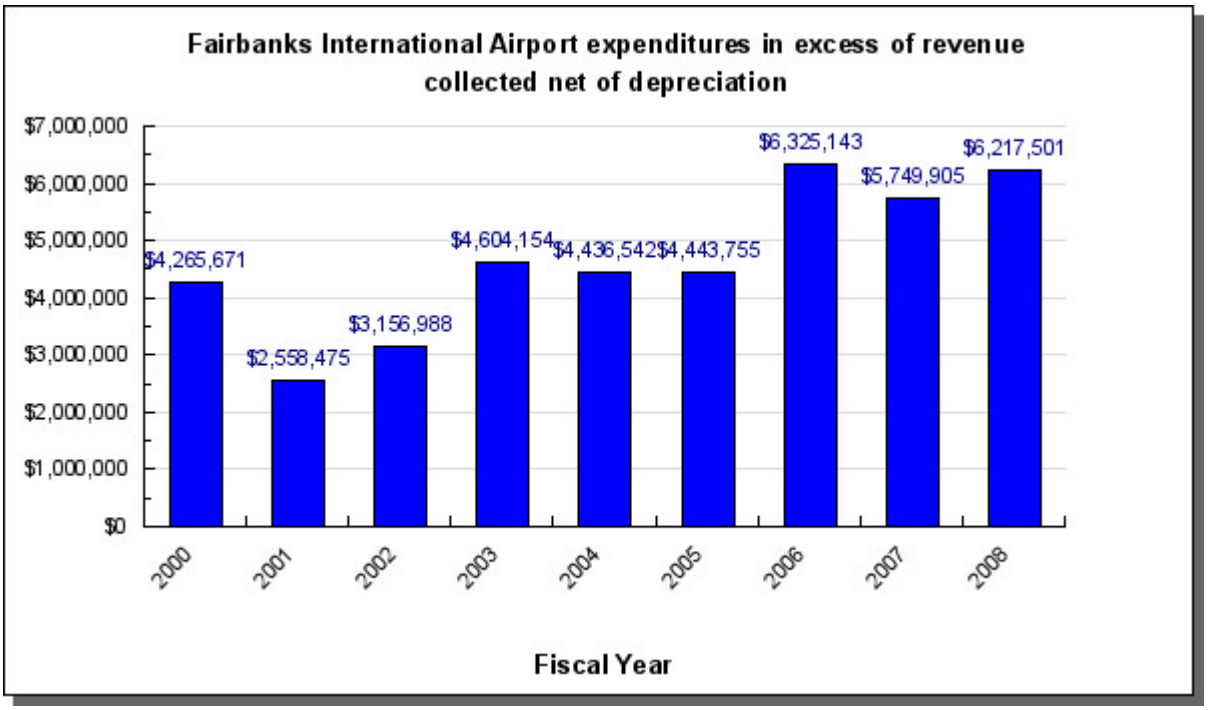
Year	YTD Total
2007	0
2006	0
2005	0
2004	0
2003	0

Methodology: Measured by calendar year.

Analysis of results and challenges: Federal regulations require a training response time of three minutes or less to the centerline of the runway for ARFF (aircraft rescue fire fighting). Fairbanks International Airport (FAI) accomplishes this by ensuring all fire trucks are in excellent working condition and by dual training the police and fire officers so in the event of an emergency, all officers can respond. This is measured by recording the number of occurrences in which fire response time, training or otherwise, does not meet federal regulations. Coverage was maintained despite severe staffing shortfalls through the dedication of available FAI staff and the cooperation of Anchorage International Airport staff that rotated to temporary duty in Fairbanks during exceptionally busy weeks last summer.

B: Result - Decrease revenue gap.

Target #1: Decrease the gap between revenues and expenditures.
Status #1: The gap between expenditures and revenues increased by 8.1% between FY2007 and FY2008.



Methodology: Measured each fiscal year from Alaska International Airport System audited financial statements (FAI expenditures plus expenditures for the Alaska International Airport System office in Anchorage as adjusted, less revenue collected, net of depreciation).

Fairbanks International Airport expenditures in excess of revenue collected net of depreciation

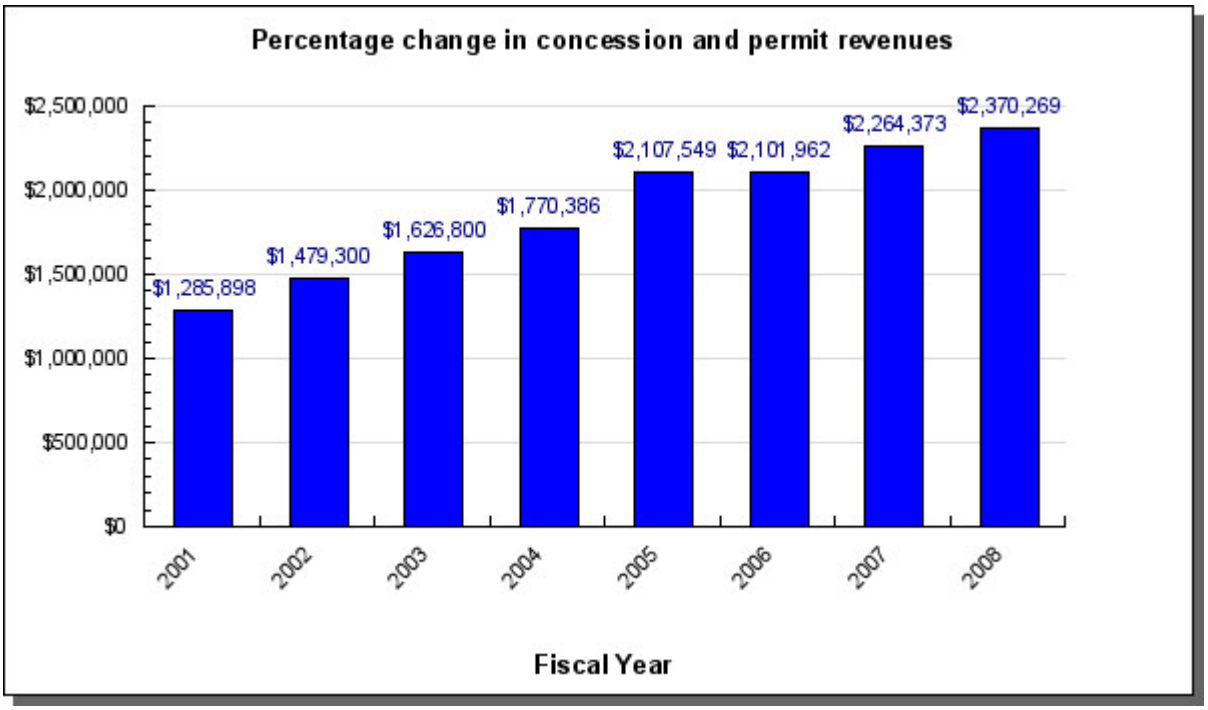
Fiscal Year	YTD Total	% Change
FY 2008	$6,217,501	+8.10%
FY 2007	$5,749,905	-9.10%
FY 2006	$6,325,143	+14%
FY 2005	$4,443,755	0%
FY 2004	$4,436,542	-4%
FY 2003	$4,604,154	+46%
FY 2002	$3,156,988	+23%
FY 2001	$2,558,475	-40%
FY 2000	$4,265,671	

Analysis of results and challenges: Fairbanks International Airport (FAI) has embarked on an aggressive program to reduce the airport's gap between revenues and expenditures without sacrificing the most important result: safe operations. The approach is simple: increase revenue and maintain or decrease costs. The Alaska International Airport System (AIAS) is a self-sustaining entity. The Fairbanks International Airport serves as the primary alternate for Anchorage International Airport and incurs operational costs in excess of revenues to sustain alternate viability.

Revenue earned increased $769.3 from FY2007 to FY2008, while FAI/AIAS expenditures increased $1,263.9. Expenditures increased primarily due to increased personal services costs for new employee contracts and increased fuel costs.

B1: Strategy - Increase revenue.

Target #1: Increase concession and permit revenues by 5% per year.
Status #1: Concession and permit revenues increased by 4.7% between FY2007 and FY2008 at the Fairbanks International Airport.



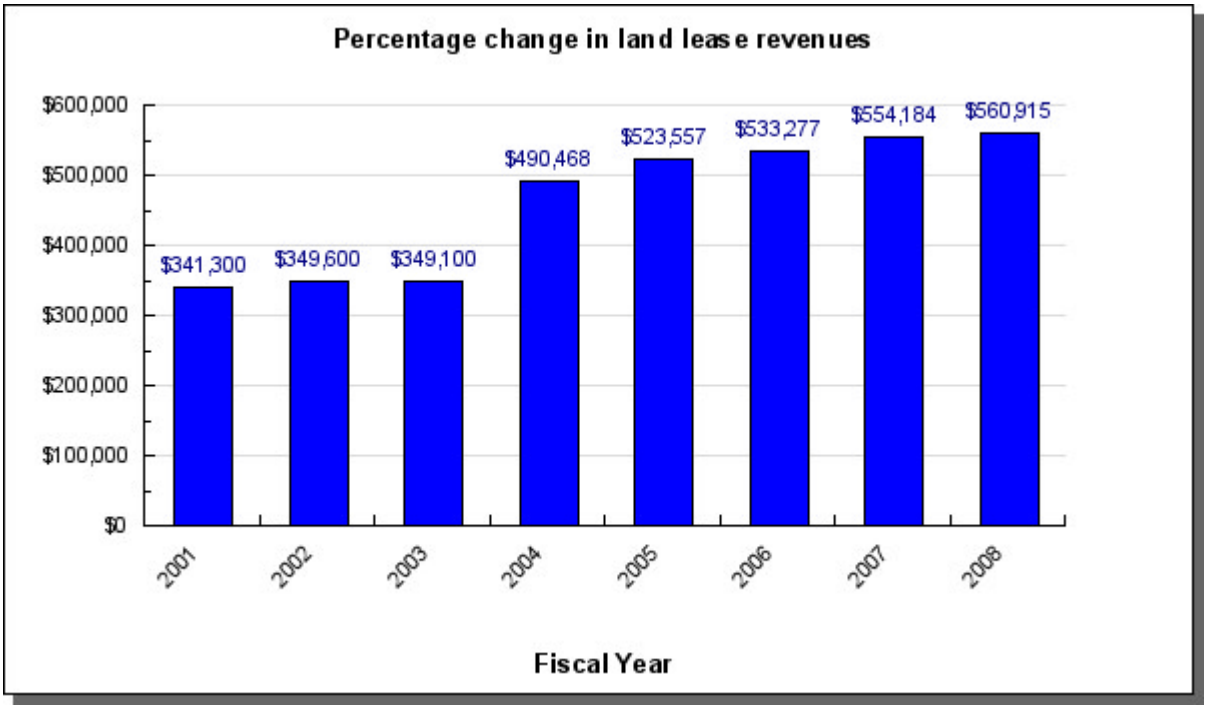
Methodology: Measured by fiscal year from FAI concession and vehicle parking income as reflected in the Alaska International Airport Systems audited financial statements.

Percentage change in concession and permit revenues

Fiscal Year	YTD Total	% increase
FY 2008	$2,370,269	4.7%
FY 2007	$2,264,373	7.7%
FY 2006	$2,101,962	-0.3%
FY 2005	$2,107,549	19%
FY 2004	$1,770,386	8.8%
FY 2003	$1,626,800	10%
FY 2002	$1,479,300	15%
FY 2001	$1,285,898	

Analysis of results and challenges: Fairbanks International Airport is reviewing all concession contracts to ensure they are current and based on competitive terms comparable to airports of similar size. Infrastructure improvements are being investigated to determine if they could lead to a better business environment - and more concession sales.

Target #2: Increase land lease revenues by 2% per year.
Status #2: Land lease revenues increased by 1.2% at Fairbanks International Airport between FY2007 and FY2008.



Methodology: Revenues include land rent as shown in fiscal year-end Alaska International Airport System audited financial statements.

Percentage change in land lease revenues

Fiscal Year	YTD Total	% change
FY 2008	$560,915	+1.2%
FY 2007	$554,184	+3.9%
FY 2006	$533,277	+2%
FY 2005	$523,557	+7%
FY 2004	$490,468	+40%
FY 2003	$349,100	-0%
FY 2002	$349,600	+2%
FY 2001	$341,300	

Analysis of results and challenges: Fairbanks International Airport continues to aggressively market vacant land and provide top-notch customer service. Rental rates at both international airports were increased in FY2004 to better reflect competitive land values.

Target #3: Increase private investment by 2% per year.
Status #3: The amount of private investment at Fairbanks International Airport in 2008 was more than 2.5 times the 5-year average and reflected an increase of 134% over 2007.

Amount invested per year compared to a 5-year adjusted rolling average (ARA)

Year	YTD Total	5 year ARA	Variance
2008	$3,388,790	$1,317,485	+157.22%
2007	$1,448,556	$774,855	+86.94%
2006	$523,650	$620,514	+15.61%
2005	$549,580	$596,512	-7.87%
2004	$676,850	$513,576	+31.80%
2003	$675,640		0 0%
2002	$541,579		0 0%
2001	$538,910		0 0%
2000	$134,900		0

Methodology: Target is 2% increase from 5 year ARA.

Measured by fiscal year from the dollar amount of permanent leasehold improvements as requested on airport building permits.

Analysis of results and challenges: The majority of this exceptional increase in activity reflects investment in infrastructure in the new terminal building. New contracts required significant dollar commitment to installing attractive, state-of-the-art facilities for air carriers, food and beverage, rental car and retail concessionaires.

B2: Strategy - Maintain or decrease costs.

Target #1: Maintain or decrease operational cost per enplaned passenger per year.
Status #1: The operational costs per enplaned passenger increased from 9.52 in 2007 to 9.70 in 2008 at Fairbanks International Airport as compared to the change in the 3-year average of 1.93.

Cost per enplaned passenger

Fiscal Year	YTD Total	Chg 3 year average
FY 2008	9.70	1.93%
FY 2007	9.52	6.97%
FY 2006	8.90	6.46%
FY 2005	8.36	8.43%
FY 2004	7.71	0.39%
FY 2003	7.68	3.86%

Analysis of results and challenges: This number is generated by the Alaska International Airport System (AIAS) Controller's Office and represents the average cost per enplanement (CPE) for all airlines serving the Ted Stevens Anchorage and Fairbanks International Airports. The airports and airlines use the CPE benchmark to evaluate annual operating costs by passenger, a widely-used measurement in the aviation sector. The AIAS methodology is based on that used by its bond issue feasibility consultants. AIAS passenger airline operating revenues are divided by total enplanements for the period to arrive at CPE.

Fairbanks International Airport uses this benchmark to determine success and identify when costs need to be kept down. Prior period values have been restated to properly correlate with the measure.

C: Result - Enhance customer satisfaction.

Target #1: Zero customer complaints associated with facility cleanliness, keeping, and stocking.
Status #1: There were no customer complaints logged onto the Fairbanks International Airport customer hotline associated with facility cleanliness or maintenance during FY2008.

Customer complaints

Fiscal Year	YTD Total
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0
FY 2003	0

Analysis of results and challenges: Fairbanks International Airport (FAI) has placed customer placards and notices in every restroom advising passengers to call a hotline should they have concern over the cleanliness, housekeeping, and stocking of the facility. The calls are logged to monitor the nature of the call and response time. FAI's policy is "extreme clean" - an attitude that employees take to work every day. In May 2008, FAI opened the new passenger terminal A in addition to maintaining operations in the oldest portion of the existing terminal B. There have been many comments from the public to the local newspaper and FAI, both positive and negative, relating to layout, baggage handling, concessionaire services, and so on. However, there have been no complaints regarding housekeeping issues for either building.

C1: Strategy - Timely response to all maintenance requests.

Target #1: Respond to all public maintenance requests within three business days.
Status #1: The Fairbanks International Airport (FAI) staff responded to all public maintenance requests within three business days throughout FY2008, as they did in FY2007.

Average time in days taken to respond to maintenance requests

Fiscal Year	YTD Total
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0

Analysis of results and challenges: Measured quarterly and based on initial response time, i.e., call back to customer inquiries and requests. There is always an immediate response from staff. Fairbanks International Airport (FAI) categorizes maintenance requests in order of priority starting with public safety, operational impact not safety related, and long-term predictable maintenance. The category of request will dictate the response time, ranging from immediate to long-term. However, each request will be logged and responded to at least verbally within three business days. Building Maintenance has also been impacted by opening the new terminal. The project is not complete and will not be turned over to FAI until sometime in 2009. Building staff have performed work on new systems such as baggage handlers, even though these are still under warranty, because the manufacturer and support staff are located out of state.

C2: Strategy - Ensure business friendly leasing and permit process.

Target #1: 90% customer service satisfaction rating of potential/actual applicants seeking land leases, building permits, and supplements.
Status #1: The Fairbanks International Airport again maintained a 100% customer service satisfaction rating for assistance and processing of land leases, building permits and supplements during FY2008.

Percentage of satisfied applicants

Fiscal Year	YTD Total
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%
FY 2004	100%

Methodology: Measured on a fiscal year basis.

Analysis of results and challenges: Customer satisfaction can assist the airport in achieving its revenue generating targets. It is important that potential and actual applicants seeking land leases, building permits and supplements find the leasing and permit process open to competition, customer friendly, responsive, and oriented to problem solving. An exit survey is used that contains five to ten questions. It has a rating scale of one to five that provides feedback to management regarding how well customers are served and possible areas of improvement.

Component: Fairbanks Airport Administration

Contribution to Department's Mission

Provide the overall airport management and leadership necessary to assure that all airport functions are conducted in accordance with appropriate laws, regulations, policies, and procedures and in a safe, efficient, and cost-effective manner.

Core Services

- Plan, organize, direct and control airport functions.
- Develop and implement strategic management plans.
- Develop airport operating and capital budgets.
- Promote Fairbanks International Airport (FAI) in domestic and international markets through personal outreach, consultant services, printed material, and FAI website.
- Negotiate and administer over 200 leases and other agreements.
- Administer airline operating agreements.
- Collect air carrier fees, rents, concession and other revenues.
- Collect and disseminate airport statistical and financial data.
- Maintain local area computer network backbone and workstations, and provide technical support to subsystems such as maintenance management, Material Safety Data Sheets (MSDS) environmental hazards database, security badging and automated Heating, Ventilation and Air Conditioning (HVAC) systems.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,793,700

Personnel:	
Full time	11
Part time	0
Total	11

Component: Fairbanks Airport Facilities

Contribution to Department's Mission

Protect the state's investment in the Fairbanks International Airport's (FAI's) buildings by maintaining, in the most cost-effective manner possible, plant in-place infrastructure and other facilities to meet or exceed their planned useful lives, and to present at all times a clean and attractive passenger terminal and other airport facilities to the traveling public, airport tenants, and employees.

Core Services

- Provide maintenance services to the airport terminal, the Airport Rescue and Fire Fighting (ARFF) warm storage facility, field and equipment maintenance facility, and all other state-owned or managed structures at FAI.
- Responsibilities include: repair and maintenance of heating, ventilating, and air conditioning systems; baggage conveyor systems; escalators and elevators, automated doors and gates, interior lighting systems, finishings; exterior electrical systems including runway and taxiway lights, tie down and vehicle parking electrical outlets and flood lights; coordination of both tenant and state sponsored construction, renovations, and repairs.
- Beautification and housekeeping services include landscaping around the terminal, public parking and air park campground; multiple daily cleaning cycles in the passenger terminal, other airport buildings, the campground and pilots' lounge. Employees shovel snow from sidewalks, walkways, and the terminal roof during the winter and maintain flower gardens planted by volunteers in summer.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $3,115,200

Personnel:	
Full time	22
Part time	0
Total	22

Component: Fairbanks Airport Field and Equipment Maintenance

Contribution to Department's Mission

Provide safe aircraft movement surfaces through efficient and cost effective maintenance of the air operations area, and to maintain vehicle roads, parking lots and other grounds in compliance with Federal Aviation Administration (FAA) airport certification requirements, as well as prudent industry-accepted maintenance requirements and practices.

Core Services

- Snow removal and ice control.
- Asphalt crack sealing and pothole repair.
- Surface markings painting.
- Runway and taxiway safety area maintenance.
- Airfield lighting and signing systems repair and maintenance.
- Grading, tilling, seeding, and ground vegetation control.
- Dust control.
- Float pond/ski strip maintenance.
- Security fencing/gate replacement.
- Heavy equipment maintenance and repair.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $3,542,000

Personnel:	
Full time	23
Part time	5
Total	28

Component: Fairbanks Airport Operations

Contribution to Department's Mission

Assure a safe, well constructed, well coordinated, environmentally compliant operating environment for air carriers and other airport tenants, general aviation, the traveling public, and employees.

Core Services

- Perform daily airport operations inspections.
- Disseminate Notices to Airmen to the Federal Aviation Administration (FAA) and air carriers.
- Develop operations plans and disseminate operational orders.
- Monitor land lease activity and tie down parking for compliance with authorized uses.
- Provide engineering analysis for adherence to Federal Aviation Regulations (FARs) and FAA Advisory Circulars.
- Provide engineering analysis, cost estimation, and bid proposal development in support of Northern Region planning, design and construction of airport facilities.
- Provide direct project management for the Terminal Area Development capital project.
- Develop and implement employee safety training programs.
- Resolve environmental assessment, remediation, and prevention of hazardous waste problems at airport and tenant facilities.
- Maintain permit compliance for various environmental programs including storm water and air quality.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,240,700

Personnel:	
Full time	10
Part time	0
Total	10

Component: Fairbanks Airport Safety

Contribution to Department's Mission

Airport Police and Fire (AP&F) provides airport rescue and fire fighting (ARFF), law enforcement, emergency medical technician, radio dispatch communications, and other safety-related services necessary to meet Federal Aviation Administration (FAA) airport certification and Transportation Security Administration (TSA) security requirements on a 24-hour/365 day per year basis.

Core Services

- Airport Rescue and Fire Fighting (ARFF): Plan, staff, train for, and respond to real and simulated aircraft and bomb threat incidents, accidents, and natural disasters.
- Law Enforcement: Meet part 49 Code of Federal Regulations (CFR), including support to the Transportation Security Administration, and state law enforcement statutory and regulatory requirements.
- Manage mandated airport security processes: Airport Security Plan, background checks, badge processes, and airport access control.
- Provide 24-hour central dispatch radio communications for all airport functions and emergencies.
- Manage airport permits for General Aviation tie downs, float pond parking, and taxi cabs.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $4,281,000

Personnel:	
Full time	34
Part time	2
Total	36

Marine Highway System Results Delivery Unit

Contribution to Department's Mission

Provide safe, secure, reliable and efficient transportation of people, goods and vehicles through the Alaska Marine Highway System by developing and implementing sound policy and procedures for operations, and staffing with well trained professionals who are sensitive to the needs of our customers.

Core Services

- The Alaska Marine Highway System (AMHS) operates 11 roll-on/roll-off passenger ships during the summer season and as few as 4 ships during the fall, winter and spring season. Weeks of operation are tailored to meet the needs of the traveling public and communities while maximizing revenue and minimizing costs.
- AMHS transports people, goods and vehicles to and from 32 ports along 3,500 route miles from Bellingham, Washington out the Aleutian Island chain to Unalaska.
- Shore operations includes 16 state-owned terminals and their staff who provide shelter and book passage for an average of over 320,000 passengers and stage over 100,000 vehicles per year aboard AMHS vessels.
- 776 shipboard employees crew AMHS vessels based upon U.S. Coast Guard (USCG) requirements and 164 shore side employees including terminal operators provide support to the vessels and crew.
- AMHS constantly maintains, repairs, refurbishes, and upgrades its vessels and terminal facilities. Hard use in a marine environment and the stringent regulations (state, federal, and international) governing passenger-carrying marine vessels determine the need for these activities.

End Result	Strategies to Achieve End Result
A: Improve mobility of people and goods. Target #1: Meet or exceed 95% satisfied customers with Marine Highway System reliability, convenience and efficiency. Status #1: Customer satisfaction with the Marine Highway System has stayed strong at 96% for the 4th year in a row, with a high percentage of respondents giving an excellent rating.	**A1: Provide reliable, convenient and efficient service.** Target #1: Meet or exceed industry standard for on-time departures. Status #1: On-time departures in 2008 were 93% which is an improvement over the 85% previous 3-year average and well above the industry standard of 75.1%, Target #2: Increase the frequency of port calls by 5% from the prior year. Status #2: The number of Alaska Marine Highway System port calls decreased between FY2007 and FY2008 by 8% from 7,626 to 7,019, and was short of the target of 8,007.
End Result	**Strategies to Achieve End Result**
B: Improve performance. Target #1: Increase the ratio of revenue per rider mile to the cost per rider mile by 2%. Status #1: The ratio of revenue per rider mile to the cost per rider mile decreased by 3% between FY2007 and FY2008.	**B1: Increase revenues.** Target #1: Increase onboard sales per passenger by 5% over the previous 3-year average. Status #1: Onboard sales per passenger were $28.63, which is a 4.5% decrease from the previous 3-year average of $29.98. Target #2: Increase passenger capacity utilization by

	3%. Status #2: Passenger capacity utilization was 29%, which is a 6% increase over the prior 3-year average of 27.3%.

Major Activities to Advance Strategies

- Design, procure and employ lighter, shuttle vessels that take advantage of state-of-the art technology
- Implement a ticket scanning system
- Optimize schedules
- Lease space to private providers
- Utilize lease vessels to reduce costs
- Provide end-of-road terminal and shuttle service
- Develop terminal prototypes for construction
- Ensure compliance with Shephard Act
- Provide access to shore excursion businesses
- Review organizational structure
- Improve fuel efficiency through the use of new fuel management technology
- Develop lay-up berths and facilities
- Analyze AMHS activities to identify cost savings

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: $125,400,900

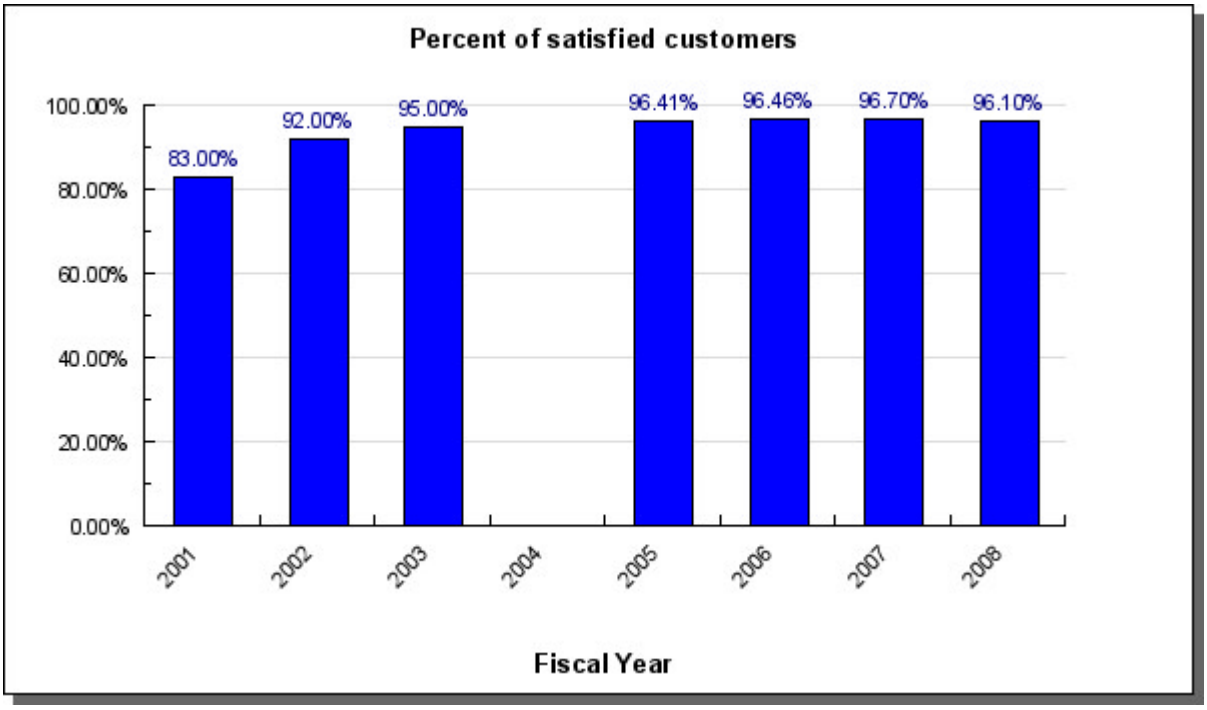
Personnel:	
Full time	849
Part time	86
Total	935

Performance

A: Result - Improve mobility of people and goods.

Target #1: Meet or exceed 95% satisfied customers with Marine Highway System reliability, convenience and efficiency.

Status #1: Customer satisfaction with the Marine Highway System has stayed strong at 96% for the 4th year in a row, with a high percentage of respondents giving an excellent rating.



Methodology: FY2004 Data is not available.

Analysis of results and challenges: Independent surveys are conducted onboard Alaska marine Highway System vessels at various points throughout the summer season. Passengers are asked to rate a variety of aspects relative to their experience. The survey data is summarized and the results are presented to management.

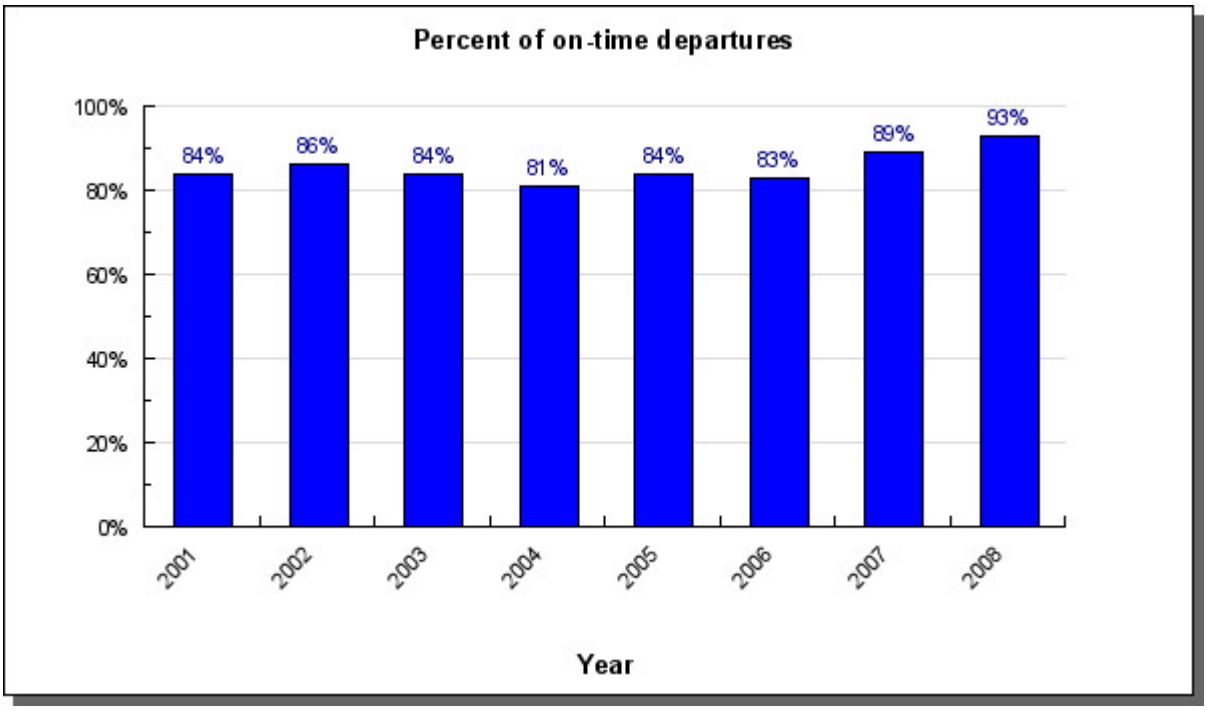
Alaska Marine Highway ensures a high degree of customer satisfaction through the development of a culture that cares about all passengers. Every section works to instill a high degree of responsibility to their staff to take care of our passengers.

We also credit our success to training. We have provided joint training at the “Senior Officers Meeting” in the areas of human resources, customer service, communication, information technology, procurement and interpersonal relationships. Training leads to more knowledgeable, confident employees; which in turn, transfers to great service to our passengers.

The Alaska Marine Highway System strives to improve the customer experience. We continue to look for new, better or different ways to improve the overall satisfaction of our passengers.

A1: Strategy - Provide reliable, convenient and efficient service.

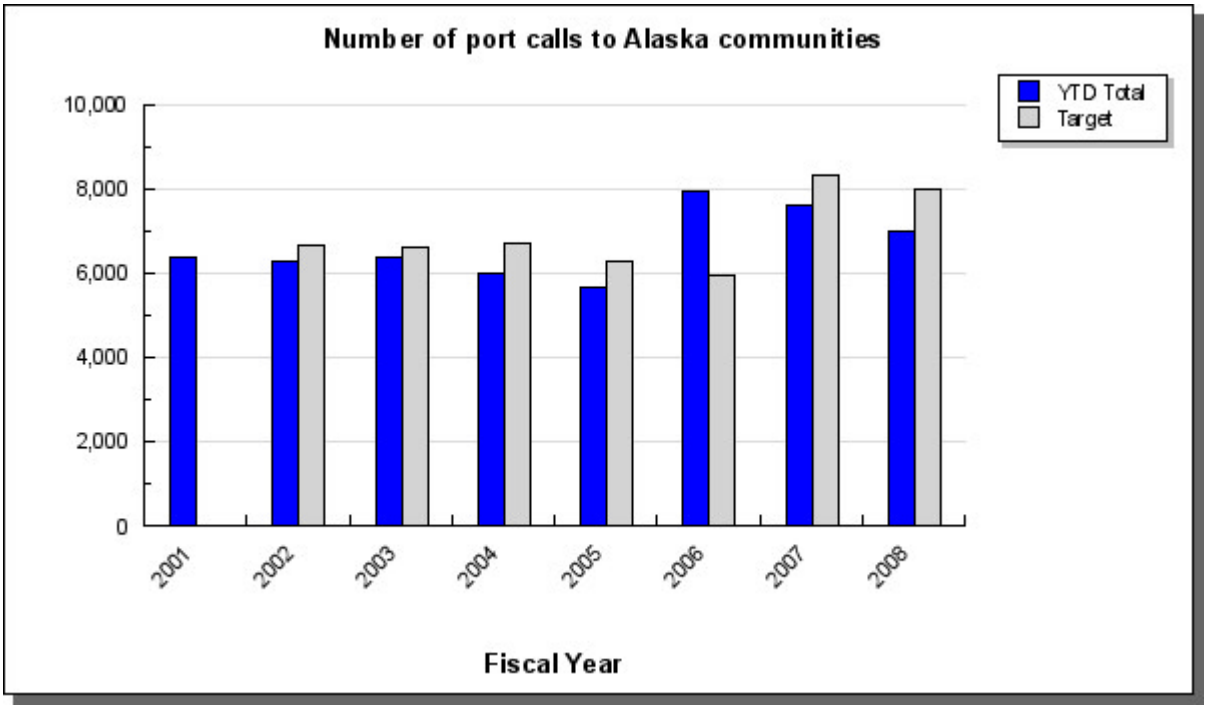
Target #1: Meet or exceed industry standard for on-time departures.
Status #1: On-time departures in 2008 were 93% which is an improvement over the 85% previous 3-year average and well above the industry standard of 75.1%,



Analysis of results and challenges: The target is for the Alaska Marine Highway System (AMHS) to consistently exceed the on-time airline departure benchmark of 75.1%. An on-time ferry departure is within 30 minutes of the scheduled departure time.

Numerous events can cause delays in ferry departure times, especially weather and tides. An additional relevant factor is the time it takes to load/unload large and/or low slung vehicles (RV's, trucks w/trailers, heavy equipment) during busy periods. Most of these factors are out of the control of AMHS. Nevertheless, making schedule modifications in the event of continual and systematic delays are within the department's control.

Target #2: Increase the frequency of port calls by 5% from the prior year.
Status #2: The number of Alaska Marine Highway System port calls decreased between FY2007 and FY2008 by 8% from 7,626 to 7,019, and was short of the target of 8,007.



Methodology: Target is increase of 5% from prior year.

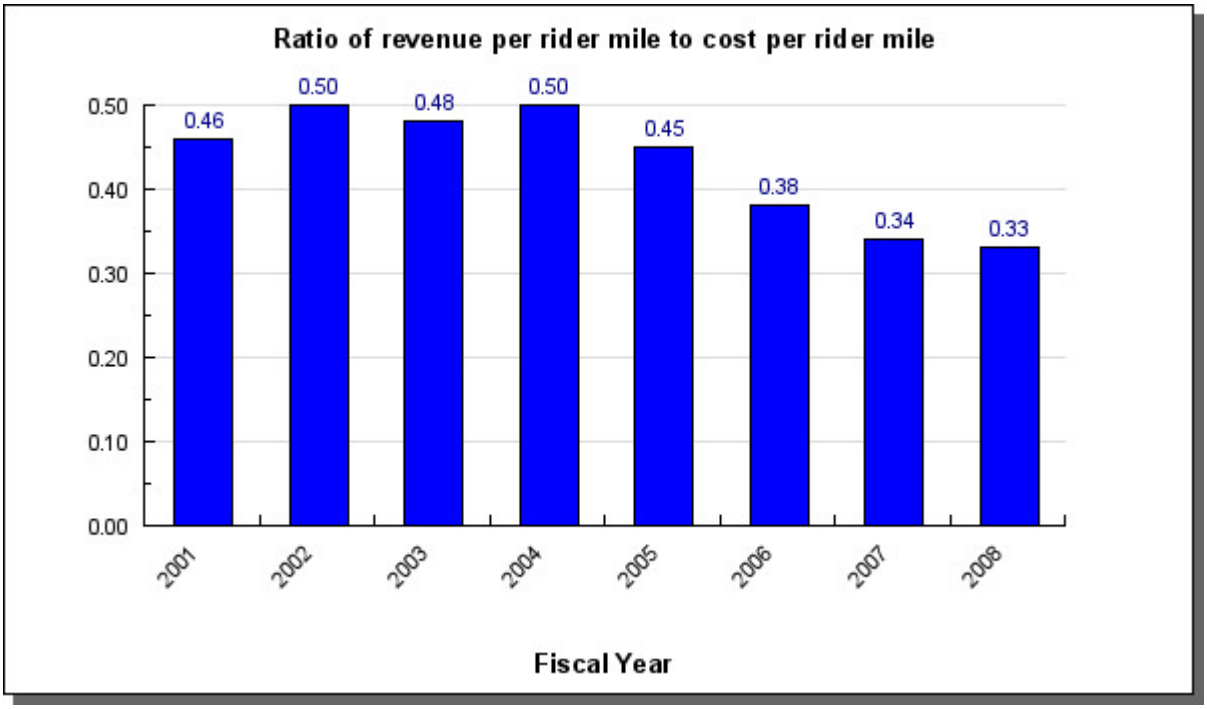
Number of port calls to Alaska communities

Fiscal Year	YTD Total	Target	Variance
FY 2008	7,019	8,007	-7.96%
FY 2007	7,626	8,337	-3.95%
FY 2006	7,940	5,964	+39.80%
FY 2005	5,680	6,306	-5.43%
FY 2004	6,006	6,710	-6.00%
FY 2003	6,390	6,613	+1.46%
FY 2002	6,298	6,687	-1.11%
FY 2001	6,369		0

Analysis of results and challenges: This measure reflects the service level provided to communities dependent upon the Marine Highway System. FY2008 showed an overall decrease in service weeks, from 427 in FY2007 to 375 in FY2008. Rising costs put pressure on the system to reduce the service levels being provided. That reduction in service resulted in reduced port calls.

B: Result - Improve performance.

Target #1: Increase the ratio of revenue per rider mile to the cost per rider mile by 2%.
Status #1: The ratio of revenue per rider mile to the cost per rider mile decreased by 3% between FY2007 and FY2008.



Ratio of revenue per rider mile to cost per rider mile

Fiscal Year	YTD Total
FY 2008	0.33 -2.94%
FY 2007	0.34 -10.53%
FY 2006	0.38 -15.56%
FY 2005	0.45 -10%
FY 2004	0.50 +4.17%
FY 2003	0.48 -4%
FY 2002	0.50 +8.7%
FY 2001	0.46

Analysis of results and challenges: FY2008 operational costs saw significant increases to the delivered cost of fuel, which brought the referenced ratio into a negative trend from the previous year. Delivered fuel cost $2.90 per gallon which is a 27% increase from the FY2007 average price of $2.28 per gallon. Other factors driving up the cost of service were labor increases of 3% negotiated with the Masters, Mates and Pilots (MMP) and Marine Engineers Beneficial Association (MEBA).

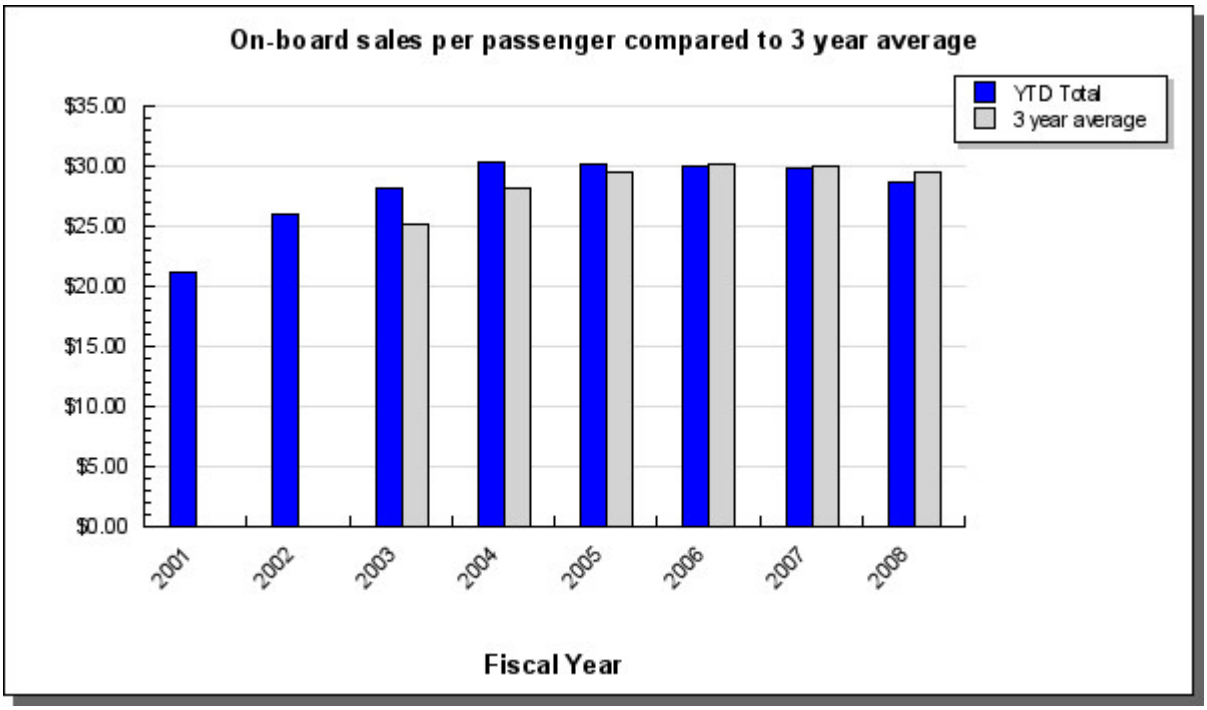
The Alaska Marine Highway System (AMHS) continued to see increased ridership as passenger and vehicle count were up 1% and 3% respectively but earned revenue fell 2.2%. The increase in ridership was for shorter or winter voyages that do not generate a great deal of revenue. This is related to the Malaspina being converted from a long

haul vessel to a day boat operation. Revenues were also negatively impacted by a generator fire aboard the Columbia which curtailed its operations during the summer season. AMHS put in place a 3.2% tariff increase at the start of FY2008.

AMHS is in the process of evaluating the upgrading of the fleet with the addition of shuttle ferries. The vessels Malaspina, Matanuska and Taku are approaching the ends of their useful lives and it is management's belief that these boats should be replaced by day boat shuttle ferry operations. It is envisioned that these clone shuttles would operate in North Lynn Canal, between Ketchikan and Prince Rupert and potentially Prince William Sound. These vessels are being designed to be very economical and will provide for more efficient scheduling in high volume areas. In turn, these new vessels will allow for increased efficiencies through greater asset utilization.

B1: Strategy - Increase revenues.

Target #1: Increase onboard sales per passenger by 5% over the previous 3-year average.
Status #1: Onboard sales per passenger were $28.63, which is a 4.5% decrease from the previous 3-year average of $29.98.



Methodology: Target is 5% increase from prior 3-year average.

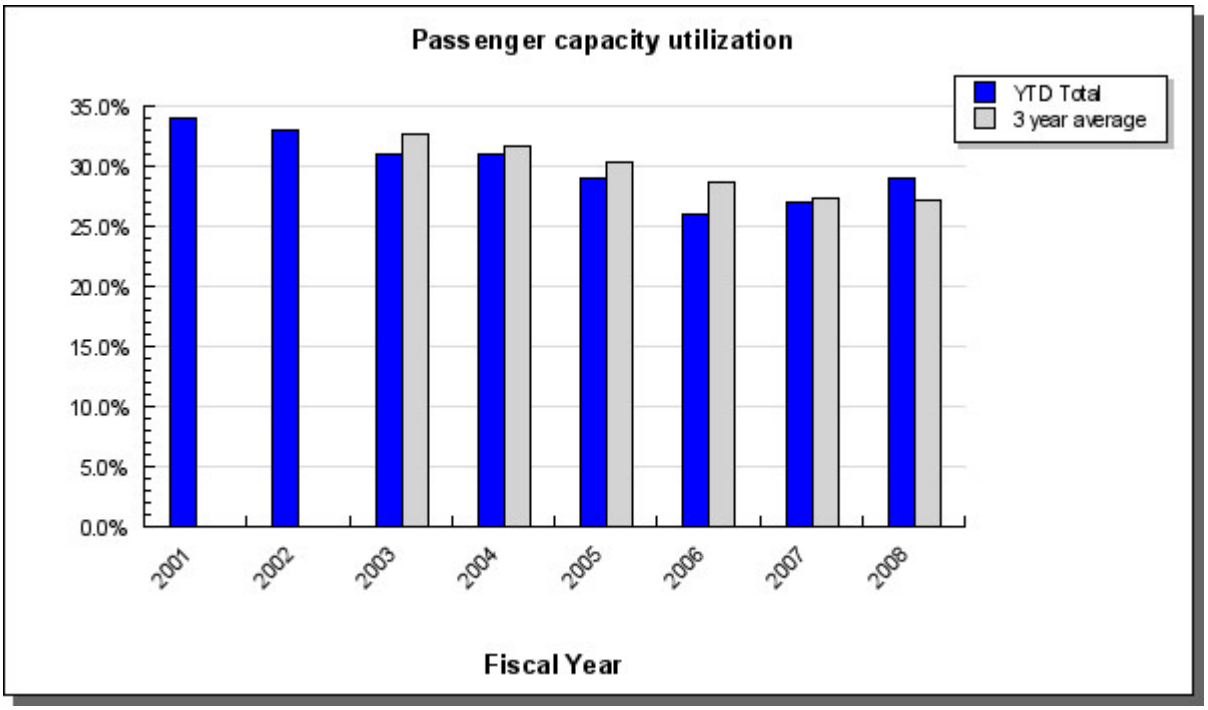
On-board sales per passenger compared to 3 year average

Fiscal Year	YTD Total	3 year average
FY 2008	$28.63	$29.49
FY 2007	$29.79	$29.98
FY 2006	$30.06	$30.14
FY 2005	$30.09	$29.55
FY 2004	$30.27	$28.14
FY 2003	$28.19	$25.11
FY 2002	$25.97	
FY 2001	$21.19	

Analysis of results and challenges: The Alaska Marine Highway System (AMHS) continues to look at increasing ship board generated revenues. At the beginning of FY2008 a 3.2% increase was placed on staterooms to reflect the market demand of these ship board services. During FY2008 the Malaspina was converted from a long haul

vessel into a day boat operation which has a drastic effect on on-board sales as the vessel's staterooms are not sold. This ratio was also impacted by the summer breakdown of the Columbia which is a major provider of passenger service income streams.

Target #2: Increase passenger capacity utilization by 3%.
Status #2: Passenger capacity utilization was 29%, which is a 6% increase over the prior 3-year average of 27.3%.



Methodology: Target is 3% increase compared to 3-year average.
The analysis converts capacity data into passenger miles by taking the sum of each trip's passenger capacity and multiplying it by the distance the ship travels. This produces the capacity number. Next, the analysis considers the actual sum of passengers that were on board and multiplies that number by the distance they traveled. This produces the utilized number. Finally, the utilized number is divided by the capacity number to produce the utilization percentage.

Passenger capacity utilization

Fiscal Year	YTD Total	3 year average
FY 2008	29%	27.2%
FY 2007	27%	27.3%
FY 2006	26%	28.7%
FY 2005	29%	30.3%
FY 2004	31%	31.7%
FY 2003	31%	32.7%
FY 2002	33%	
FY 2001	34%	

Analysis of results and challenges: In FY2008 the Alaska Marine Highway System (AMHS) saw increased customer utilization, as a direct result of providing a consistent schedule, mitigating the reduction in service to Bellingham by emphasizing travel thorough Prince Rupert, British Columbia and increasing service to Sitka and the Lynn Canal communities.

AMHS remains committed to the current schedule and will strive for the earliest possible schedule releases. It is anticipated that passenger and car deck utilizations will continue to increase.

Component: Marine Vessel Operations

Contribution to Department's Mission

Provide safe, reliable, and efficient transportation of people and vehicles between Alaskan communities, Canada and Bellingham, Washington.

Core Services

- Operations provide for the transport of people, goods and vehicles to and from 32 ports along 3,500 track miles from Bellingham, Washington, through Southeast Alaska, across the Gulf of Alaska to Prince William Sound and South Central Alaska, to Kodiak Island, the Alaskan Peninsula and out the Aleutian Islands to Unalaska.
- Meet U.S. Coast Guard (USCG) requirements by staffing Alaska Marine Highway System (AMHS) vessels with qualified employees.
- Provide quality service to every customer including housekeeping, food service, gift shops and bar service.
- Certify all shipboard employees under the Standards for Training, Certification, and Watch-keeping for Seafarers (STCW) program.
- Provide system wide security per the regulations of the Federal Maritime Transportation Security Act.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $106,821,000

Personnel:	
Full time	724
Part time	48
Total	772

Component: Marine Engineering

Contribution to Department's Mission

Ensure that all Alaska Marine Highway System (AMHS) vessels and terminal facilities are safe, reliable, comfortable, and accessible to all Alaskans and visitors to the state.

Core Services

- Conduct annual fleet and terminal condition surveys to develop functional operational assessments and provide technical information for long-range maintenance and shore facility and vessel development.
- Develop plans, specifications, and estimates, and manage the construction contracts for new vessel construction and for the repair, refurbishment, and modernization of existing AMHS vessels. Assure that the vessels continue to comply with state, federal, and international regulations, as well as all United States Coast Guard (USCG) and marine classification society requirements.
- Support fleet operations through the port engineer functions located in the Ketchikan engineering waterfront facilities. Attend AMHS vessels at commercial shipyards during both state overhauls and federal aid projects.
- Perform preventive maintenance on 16 widely-dispersed state-owned ferry terminals ranging in location from Homer to Ketchikan. Perform semi-annual inspections and maintenance for regulatory compliance and accomplish upgrades and repairs of the terminal facilities. Terminal facilities include transfer bridges, mooring structures, staging areas and terminal buildings. The majority of terminals are located on the National Highway System.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $3,113,000

Personnel:	
Full time	21
Part time	0
Total	21

Component: Overhaul

Contribution to Department's Mission

Overhaul all vessels of the Alaska Marine Highway System (AMHS) annually in order to maintain operational readiness of the fleet in a safe, reliable condition and within regulatory guidelines.

Core Services

- The 11 vessels of the Alaska Marine Highway System (AMHS) fleet are required to be inspected and maintained according to regulatory requirements of the U.S. Coast Guard (USCG), the American Bureau of Shipping (ABS), U.S. Code of Federal Regulations (CFR), 2000 High Speed Code (HSC), Det Norske Veritas (DNV), Alaska Department of Environmental Conservation (ADEC), and International Safety of Life at Sea (SOLAS), in addition to state vessel maintenance policies.
- A period of time (normally six weeks for each vessel) is set aside each year to accomplish these tasks or overhauls at a shipyard. At the end of the overhaul period the vessel undergoes a detailed USCG and/or ABS inspection. Passing this rigorous inspection results in the issuance of a Certificate of Inspection (COI) by the USCG, permitting the vessel to operate for the following year.
- Unannounced quarterly USCG inspections ensure that AMHS continue to operate and maintain vessel mechanical and electrical systems and safety equipment to the standards required for COI and other certifications.
- Work accomplished during the overhaul period typically includes dry-docking, hull inspections, fire and lifesaving gear and equipment inspections, repairs, cleaning, painting, and machinery reconditioning. Some of those services are provided through contracts with private sector companies.
- Typical products and contracted services include inspections of fire system and shipboard safety equipment, repacking of life rafts, Marine Evacuation Chute/Slides (MEC-MES), and Means of Rescue (MOR) platforms, recertification of boat davits, and technical support of electronic, navigational, communications equipment, propulsion systems, auxiliary machinery, and hull cathodic protection.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $1,698,400

Personnel:	
Full time	0
Part time	0
Total	0

Component: Reservations and Marketing

Contribution to Department's Mission

Make the traveling public aware of the many year-round advantages of using the ferry system and to promote enhanced ridership on all vessels.

Reservations will provide the best possible service to Alaska Marine Highway System (AMHS) customers and potential customers, increase awareness and interest in the system, and ensure that all requests for information, reservations, and tickets are answered and processed effectively.

Core Services

- The Marketing Department creates awareness of AMHS through aggressive and proactive advertising campaigns, speaking engagements, media appearances, the production and distribution of collateral materials, and internet marketing.
- AMHS is represented by the Marketing Department and works with relevant visitor and convention bureaus, chambers of commerce, economic development districts, community councils throughout Alaska, as well as national and international cooperative marketing organizations.
- The Reservations Section provides oral and written responses to over 200,000 telephone calls, 5,000 faxes, and 13,000 e-mailed and internet requests for information, reservations, and tickets each year.
- Completes reservation services to generate approximately 40+ percent of system itineraries created yearly for travelers (including internet users). This includes advance ticketing for customers who wish to have tickets in hand before leaving home. Staff also provide reservation assistance to user groups with specialized needs such as, but not limited to, youth/student tour groups, adult tour groups, persons with disabilities, commercial carriers, military personnel, and travel agents.
- Collects, processes and reports on approximately 50 percent of yearly system sales revenue (including internet payments).
- Trains shore side staff, including terminals and other system personnel on the Reservations Management System, as well as policy, procedure and computer training.
- Produces regularly updated online schedules and two annual printed schedules. Both online and printed schedules serve as travel planning tools for potential customers. Staff distributes almost 200,000 schedule brochures through reservation centers, terminals and by direct mail to names generated by customers, travel agencies, government agencies, and/or consumer and trade advertising/promotions.
- Make people aware of AMHS through increased targeted advertising, direct mail, public and press relations, trade show attendance, association memberships and special promotions. To promote interest among visitors in enjoying communities along our route, we foster a cooperative working relationships with such groups as the U.S. Forest Service, U.S. Fish and Wildlife, Alaska Department of Fish and Game, and the SEAtrails (Southeast Alaska Trail System).

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $3,195,500

Personnel:	
Full time	27
Part time	0
Total	27

Component: Marine Shore Operations

Contribution to Department's Mission

Provide support for Alaska Marine Highway System (AMHS) passengers, vessels and operations in Southeast, Southcentral and Southwest Alaska by providing safe, clean terminal facilities, performing reservations and ticketing duties to achieve the overall mission of the Alaska Marine Highway System.

Core Services

- Marine Shore Operations provides the shore support (terminal staff) required for 11 vessels and 32 ports of call over a route system of 3,500 nautical miles. This service includes: enhancement of public relations via telephone, e-mail and in person; quoting schedules and tariffs; making and changing reservations; issuing tickets; and collecting revenues.
- Provide long shoring duties; vehicle staging; janitorial and minor maintenance responsibilities.
- Provide safe and secure transportation to the traveling public by enforcing security mandates.
- Enforcement of due diligence to provide information to authorities if suspicious activity is noted.
- Develop and implement terminal security plans and continue to develop required terminal security infrastructure in accordance with United States Coast Guard (USCG) regulations.
- Maintain and operate the terminal buildings, grounds, and reservation services in a professional, responsible, and caring manner, including providing and/or obtaining snow removal contracts at terminals where needed.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $6,779,600

Personnel:	
Full time	36
Part time	38
Total	74

Component: Vessel Operations Management

Contribution to Department's Mission

To provide safe, secure, reliable, and efficient transportation of people, goods, and vehicles through the Alaska Marine Highway System (AMHS) by developing sound policy and procedures for operations, and staffing with well trained professionals who are sensitive to the needs of our customers.

Core Services

- Vessel Operations Management oversees the operation of 11 ships and 16 state-owned terminals with 772 vessel employees and 163 personnel ashore.
- Develop, implement and enforce policies and procedures for AMHS.
- Enforce labor contracts and schedule qualified employees for work assignments to meet required staffing levels including vacation and sick leave reliefs.
- Provide training of vessel and terminal personnel to enhance safety and service for the traveling public and meet the Standards for Training, Certification and Watch-keeping for Seafarers (STCW) requirements, along with all other required federal maritime, state operating and Occupational Safety and Health Administration (OSHA) requirements.
- Provide support for vessel and terminal personnel in the performance of their duties to enhance efficient and customer-oriented operations.
- Provide security for employees, passengers, and vessels as per the system wide security regulations of the federal Maritime Transportation Security Act (MTSA).
- Work with state and federal emergency management officials to ensure that all required plans, drills, exercises, and coordination is satisfied, and to ensure that the AMHS is capable of a safe and efficient response in the event of a state or national emergency.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $3,793,400

Personnel:	
Full time	41
Part time	0
Total	41